



## **NOTICE**

**and**

## **INFORMATION CIRCULAR**

**for the Annual and Special Meeting of Shareholders**

to be held in the Viking Room at the Calgary Petroleum Club  
319 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta

on

May 31, 2023  
at 1:00 p.m.

DATED: April 24, 2023



## COELACANTH ENERGY INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

#### TO THE SHAREHOLDERS OF COELACANTH ENERGY INC.

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of voting common shares ("**Common Shares**") in the capital of Coelacanth Energy Inc. (the "**Corporation**") will be held in the Viking Room, Calgary Petroleum Club at 319 – 5th Avenue S.W., Calgary, Alberta on May 31, 2023 at 1:00 p.m. (Calgary time), for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the year ended December 31, 2022;
2. to fix the number of directors at six;
3. to elect directors of the Corporation for the ensuing year;
4. to appoint KPMG LLP as auditors of the Corporation for the ensuing year and to authorize the board of directors to fix their remuneration;
5. to consider and if thought fit, to pass an ordinary resolution, the full text of which is set forth in the accompanying Information Circular, to approve the amended and restated stock option plan for the Corporation, all as more particularly set forth in the Information Circular;
6. to consider and if thought fit, to pass an ordinary resolution, the full text of which is set forth in the accompanying Information Circular, to approve the performance and restricted share unit plan for the Corporation, all as more particularly set forth in the Information Circular; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

**Proxies are being solicited by the management of the Corporation. Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and return it our transfer agent Computershare Investor Services, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 1:00 p.m. (Mountain Time) on May 29, 2023, or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting.**

Pursuant to the *Business Corporations Act* (Alberta), a record date for the meeting has been set for April 24, 2023 (the "**Record Date**") and Shareholders of record on the Record Date are entitled to receive notice of and to attend and vote at the Meeting unless after that date a Shareholder of record transfers any Common Shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing ownership of such shares, requests, at least 10 days prior to the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

DATED at Calgary, Alberta, this 24<sup>th</sup> day of April, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF COELACANTH ENERGY INC.**

Per: (signed) "Robert Zakresky"  
President and Chief Executive Officer

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# COELACANTH ENERGY INC.

## INFORMATION CIRCULAR

### MANAGEMENT SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by management of Coelacanth Energy Inc. (the "Corporation") for use at an annual and special meeting (the "Meeting") of the holders (the "Shareholders") of voting common shares ("Common Shares") in the capital of the Corporation to be held in the in the Viking Room, Calgary Petroleum Club at 319 – 5th Avenue S.W., Calgary, Alberta on May 31, 2023 at 1:00 p.m. (Mountain Time), and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers or employees of the Corporation. The cost of solicitation will be borne by the Corporation. The information herein contained is given as of April 24, 2023, unless noted otherwise.

### SHAREHOLDERS ELIGIBLE TO VOTE AT THE MEETING

Shareholders of record at the close of business on April 24, 2023 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat unless after the Record Date a holder of record transfers ownership of any Common Shares, and the transferee upon producing properly endorsed certificates evidencing such shares or otherwise establishing ownership of such shares, requests, at least 10 days prior to the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

### APPOINTMENT AND REVOCATION OF PROXIES

Shareholders desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting, other than Robert Zakresky (the current President and Chief Executive Officer and a director of the Corporation) or Nolan Chicoine (the current Vice President Finance and Chief Financial Officer of the Corporation) (collectively, the "Management Designees"), may do so either by inserting such person's name in the blank space provided in the applicable form of proxy and striking out the other names or by completing another appropriate form of proxy.

The applicable form of proxy must be signed by the Shareholder or by his attorney duly authorized in writing, or, if the Shareholder is a corporation, it must either be under its corporate seal or signed by an officer or attorney thereof duly authorized.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited at the offices of Computershare Investor Services, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the close of business on the last business day preceding the day of the Meeting or with the Chairman of the Meeting prior to the commencement of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy shall be revoked.

A proxy will not be valid unless it is deposited with our transfer agent Computershare, (i) by mail using the enclosed return envelope or (ii) by hand delivery to **Computershare Investor Services, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1**. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 1:00

p.m. (Mountain Time) on May 29, 2023 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. **The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, the Shareholder may resubmit its proxy and/or voting direction prior to the deadline noted above. The most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names.** Shareholders who do not hold their Common Shares in their own names (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's name in the records of the Corporation. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**").

Broadridge mails a scannable voting instruction form (a "**VIF**") in lieu of the form of proxy provided by the Corporation. The VIF will name the same person as named in the form of proxy to represent the Beneficial Shareholder at the Meeting. A Beneficial Shareholder has the right to appoint a person (who need not be a Shareholder), other than the persons designated in the VIF, to represent the Beneficial Shareholder at the Meeting. To exercise this right, the Beneficial Shareholder should insert the name of the desired representative in the blank space provided in the VIF. You are asked to complete and return the VIF to Broadridge by mail or facsimile. Alternatively, you can call Broadridge's toll-free telephone number to vote your Common Shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, it cannot be used as a form of proxy to vote your Common Shares directly at the Meeting and must be returned to Broadridge well in advance of the Meeting in order to have those Common Shares voted or to appoint an alternative representative to attend the Meeting in person to vote such shares.**



## EXERCISE OF DISCRETION OF PROXIES

The Common Shares represented by the form of proxy will be voted or withheld from voting or voted for or against, as applicable, in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly be brought before the Meeting. As at the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

**IN THE ABSENCE OF ANY SPECIFIC DECISION BEING MADE ON ANY MATTERS TO BE VOTED UPON AT THE MEETING, WHERE THE MANAGEMENT DESIGNEES ARE NAMED AS PROXY, THE COMMON SHARES REPRESENTED BY THE FORM OF PROXY WILL BE VOTED IN FAVOUR OF ALL RESOLUTIONS.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of non-voting common shares, an unlimited number of class A preferred shares, issuable in series, an unlimited number of class B preferred shares, issuable in series, and an unlimited number of class c preferred shares, issuable in series. As of the date hereof, there are 425,384,155 Common Shares issued and outstanding, each such share entitling the holder thereof to one vote, and no non-voting common shares, class A preferred shares, class B preferred shares or class C preferred shares are issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to the total issued and outstanding Shares of the Corporation, except as follows:

| Name of Holder                                                                                      | Number of Coelacanth Shares | Percentage of Outstanding Coelacanth Shares |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------------|
| GMT Capital Corp. on behalf of their respective managed accounts <sup>(1)</sup><br>Atlanta, Georgia | 84,106,709                  | 19.8%                                       |
| Vermilion Energy Inc.<br>Calgary, Alberta                                                           | 72,363,094                  | 17.0%                                       |

**Note:**

- (1) As of the date hereof, GMT Capital Corp. beneficially owns, directly or indirectly, or controls or directs, voting securities held by Bay II Resource Partners, L.P., Bay Resource Partners, L.P., Bay Resource Partners Offshore Master Fund, L.P., and Thomas E. Clausus. Although GMT Capital Corp. holds 99,546,731 (23.4% of the issued and outstanding) Common Shares, it only exercises ownership and control over 84,106,709 (19.8%) of the Common Shares, as more particularly set out in the Form 62-103F3 filed by GMT Capital Corp. pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and dated June 10, 2022, whereby GMT Capital Corp has specifically disclaimed any ownership or control over the Common Shares held by GMT Exploration LLC and confirms that there is no agreement, commitment or understanding between GMT Capital Corp. and GMT Exploration LLC with regards to the acquisition or disposition of, or the exercise of any of the voting or exercise rights attaching to, any of those Common Shares.

As at the date hereof, 64,607,328 or approximately 15.2%, of the total issued and outstanding Common Shares are legally owned, directly or indirectly, by all the directors and officers of the Corporation as a group. Certain of the directors and/or officers of the Corporation own their Common Shares indirectly.

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial interest or otherwise, of any director or executive officer of the Corporation, any proposed nominee for election as a director of the Corporation, or any associate or affiliate of the foregoing in any matter to be acted upon at the Meeting other than the election of directors.

## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Corporation's board of directors (the "**Board**"), the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting.

### Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2022 will be presented at the Meeting. No vote is required in respect of this matter. The Board, upon the recommendation of the Audit Committee of the Board (the "**Audit Committee**"), approved the financial statements prior to their delivery to the Shareholders.

### Fixing Number of Directors

The Articles of the Corporation state that the Board shall consist of a minimum of three and a maximum of fifteen directors, and shall be fixed from time to time by resolution of the Shareholders. The Shareholders will be asked to consider and, if thought fit, to pass the following resolution:

"BE IT RESOLVED, as an ordinary resolution of the holders of voting common shares in the capital of Coelacanth Energy Inc. (the "**Corporation**"), that the number of directors of the Corporation to be elected be and is hereby fixed at six."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders at the Meeting.

**Unless a Shareholder has specified otherwise, the Management Designees, if named as proxy, will vote in favour of the above resolution.**

### Election of Directors

#### *Nominees*

The Board presently consists of seven directors, all of whom are elected annually. The current directors are Robert Zakresky, William Lancaster, John Brussa, Tom Medvedic, Harvey Doerr, Raymond T. Hyer and Dion Hatcher.

At the Meeting, it is proposed that six persons be elected as directors of the Corporation, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed.

The following table states the name and city of residence of each nominee to the Board, each nominee's present principal occupation, business or employment and principal occupation(s), business or employment during the last five years, the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each nominee and the period during which each nominee has served as a director of the Corporation or its predecessor entity. Each director elected will hold office until the next annual and special meeting of Shareholders or until his successor is duly elected or appointed pursuant to the Corporation's By-laws, unless the director's office is earlier vacated.

**Unless a Shareholder has specified otherwise, the Management Designees, if named as proxy, will vote in favour of the election of each of the proposed nominees to the Board.**

The information contained in the following table is based upon information furnished by the respective nominees.

| <b>Name, Residence and Position Presently Held</b>                                                | <b>Director Since</b> | <b>Present Occupation and Positions Held During the Last Five Years</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Common Shares Owned</b> |
|---------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Robert Zakresky<br>Calgary, Alberta<br>Canada<br><br><i>President and Chief Executive Officer</i> | March 24, 2022        | Mr. Zakresky obtained his Bachelor of Commerce from the University of Saskatchewan in 1988. He obtained his Chartered Accountant designation with PriceWaterhouseCoopers in 1990. Mr. Zakresky has held the position of President and Chief Executive Officer ("CEO") of the Corporation since March 24, 2022. From June 2014 until May 2022, Mr. Zakresky was the President, CEO and a director of Leucrotta Exploration Inc. From 1993 to August 2014, Mr. Zakresky has sequentially held the position of President, CEO and a director of Bellator Exploration Inc., Viracocha Energy Inc., Chamaelo Energy Inc., Chamaelo Exploration Ltd., and Crocotta Energy Inc., all of which were Calgary based oil and gas exploration and production companies.                                                                                                                                                                                                                                                                                                                                                                                      | 19,764,735                 |
| William Lancaster <sup>(1)(5)(6)</sup><br>Denver, Colorado USA                                    | April 26, 2022        | Mr. Lancaster joined GMT Energy Resources Limited ("GMT Energy") as Vice President of Exploration and Production on January 1, 2000. Effective April 20, 2001, Mr. Lancaster was named President of GMT Energy. Mr. Lancaster resigned from his position with GMT Energy effective January 4, 2005 with the sale of GMT Energy. On the same date he was named President of GMT Exploration Company LLC, and has since served as a member of the board of directors and President of GMT Exploration Company LLC since that time. Prior to working with GMT Energy, Mr. Lancaster held executive management positions with Santa Fe Snyder Corporation, Bass Enterprises Production Company and Union Pacific Resources Group, Inc. Mr. Lancaster currently serves on the board of Pipestone Energy Corp. and the Corporation. Mr. Lancaster graduated from the University of Colorado with a bachelor's degree in Geologic Engineering in 1978. Mr. Lancaster is a former president of the Colorado Oil and Gas Association and is a member of the Rocky Mountain Association of Geologist, and the American Association of Petroleum Geologist. | 1,390,298 <sup>(7)</sup>   |
| John Brussa <sup>(2)(3)(6)</sup><br>Calgary, Alberta<br>Canada                                    | April 26, 2022        | Mr. Brussa holds a Bachelor of Arts, History and Economics degree and a Bachelor of Laws degree. Mr. Brussa is the Chairman of Burnet, Duckworth & Palmer LLP, a Calgary-based energy law firm where he focuses on tax law. He is also a director of a number of energy and energy-related companies. Mr. Brussa is a past governor of the Canadian Tax Foundation and is a past Jarislowsky Fellow at the Haskayne School of Business at the University of Calgary.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 4,201,976                  |
| Tom Medvedic <sup>(3)(4)(6)</sup><br>Calgary, Alberta<br>Canada                                   | April 26, 2022        | Mr. Medvedic obtained his Bachelor of Commerce from the University of Calgary in 1989. He obtained his Chartered Accountant (Alberta Institute) designation with PriceWaterhouseCoopers in 1993. Mr. Medvedic is currently the Chief Financial Officer of NorthRiver Midstream Inc. Prior thereto, Mr. Medvedic served as the President, Canadian Division of Calfrac Well Services Ltd. ("Calfrac") from 2015 to 2019. Previous to that, Mr. Medvedic served as the Senior Vice President, Corporate Development of Calfrac since November 2008. Mr. Medvedic also served as Senior Vice President and Chief Financial Officer of Calfrac from July 2004 to November 2008.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 1,439,956                  |

| Name, Residence and Position Presently Held                         | Director Since | Present Occupation and Positions Held During the Last Five Years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Common Shares Owned       |
|---------------------------------------------------------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Harvey Doerr <sup>(1)(2)(4)(5)</sup><br>Calgary, Alberta<br>Canada  | April 26, 2022 | Mr. Doerr has more than 29 years of full-time experience in the oil and gas industry, including broad exposure to domestic and international exploration and production, heavy oil and oilsands, offshore, refining, retail marketing, acquisitions and divestitures, strategic planning and government relations. He was previously Executive Vice President of Murphy Oil Corporation, responsible for worldwide refining and marketing operations and strategic planning. Prior thereto, Mr. Doerr held various positions in the upstream oil and gas industry with Murphy Oil Corporation and affiliates, primarily in Canada. Since his retirement from Murphy Oil in 2009, Mr. Doerr has continued his career as a professional director, serving on the boards of directors of a number of public, private and not-for-profit corporations. Mr. Doerr earned a Bachelor of Science in Mechanical Engineering from the University of Alberta (1981). Mr. Doerr is a Professional Engineer, has completed the Advanced Management Program at Harvard Business School and holds the ICD.D designation from the Institute of Corporate Directors. | 1,610,300                 |
| Raymond Hyer <sup>(1)(2)(3)</sup><br>Belleair Shore, Florida<br>USA | April 26, 2022 | Mr. Hyer is a Certified Public Accountant ("CPA") and was a senior partner of Raymond T. Hyer & Company, a CPA firm founded by his late father, until his retirement in 1990. Mr. Hyer then became President, CEO and Chairman of Gardner-Gibson, Inc. ("Gardner-Gibson") and remained in these positions until his retirement in 2017. Mr. Hyer also served as Chairman of the board of directors of Sun Paints & Coatings, Inc. ("Sun Coatings") for over 35 years. In late 2020 both Sun Coatings and Gardner-Gibson were sold to strategic buyers. Mr. Hyer continues to remain the Chairman of the board of directors of Rowell Chemical Corp. in the midwest of the United States. Mr. Hyer has been a long time investor in various aspects of the oil industry and is quite diversified in his knowledge of the industry as well as the operations and workings of varied companies. Mr. Hyer also devotes time to charitable organizations in the Tampa area. Mr. Hyer is a graduate of the College of The Holy Cross in Worcester, Massachusetts and received his Master in Business Administration from Long Island University            | 18,737,086 <sup>(8)</sup> |

**Notes:**

- (1) Member of the Reserves Committee of the Board.
- (2) Member of the Corporate Governance Committee of the Board (the "**Corporate Governance Committee**").
- (3) Member of the Audit Committee. Please refer to the Corporation's Annual Information Form dated April 18, 2023 under the heading "Audit Committee" for more information on the Audit Committee.
- (4) Member of the Health, Safety and Environment (HSE) Committee of the Board.
- (5) Member of the Environmental, Social and Governance (ESG) Committee of the Board.
- (6) Member of the Compensation Committee of the Board (the "**Compensation Committee**").
- (7) Mr. Lancaster is the President and Director of GMT Exploration Company LLC, which holds 15,440,022 Common Shares. GMT Capital Corp. holds 84,106,709 (19.8% of the issued and outstanding) Common Shares. According to the Form 62-103F3 filed by GMT Capital Corp. pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and dated June 10, 2022, GMT Capital Corp specifically disclaims any ownership or control over the Common Shares held by GMT Exploration LLC and confirms that there is no agreement, commitment or understanding between GMT Capital Corp. and GMT Exploration LLC with regards to the acquisition or disposition of, or the exercise of any of the voting or exercise rights attaching to, any of the Common Shares. Mr. Lancaster exercises control and direction the Common Shares held by GMT Exploration Company LLC.
- (8) 2,147,443 of the Common Shares held by Mr. Hyer are held indirectly through Hyer Family Partnership, LLC and 327,717 of the Common Shares are held indirectly through KHH Holdco, Inc.

## *Orders*

To the knowledge of management of the Corporation, other than as disclosed herein, no proposed director is, as at the date hereof, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (a) was subject to an order that was issued while the proposed director 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 proposed director 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. For the purposes of the hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

## *Bankruptcies*

To the knowledge of management of the Corporation, other than as disclosed herein, no proposed director of the Corporation (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, 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 proposed director.

Mr. Brussa resigned as a director of Calmena Energy Services Inc. ("**Calmena**") on June 30, 2014. On January 19, 2015, a senior lender of Calmena (the "**Calmena Senior Lender**") made an application to the Alberta Court of Queen's Bench to appoint an interim receiver under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") and trading in the common shares of Calmena was suspended by the Toronto Stock Exchange. On January 20, 2015, the Calmena Senior Lender was granted a receivership order by the Alberta Court of Queen's Bench.

Mr. Brussa was a director of Enseco Energy Services Corp. ("**Enseco**"), a public oilfield service company, which was placed in receivership on October 14, 2015 and, in connection therewith, a receiver was appointed under the BIA. Mr. Brussa resigned as a director of Enseco on October 14, 2015. On December 21, 2015 Enseco was assigned into bankruptcy by the receiver.

Mr. Brussa was a director of Argent Energy Ltd. which was the administrator of Argent Energy Trust. On February 17, 2016, Argent Energy Trust and its Canadian and United States holding companies (collectively "**Argent**") commenced proceedings under the CCAA for a stay of proceedings until March 19, 2016. On the same date, Argent filed voluntary petitions for relief under Chapter 15 of the United States Bankruptcy Code ("**Chapter 15**"). On March 9, 2016, the stay of proceedings under the CCAA was extended until May 17, 2016. Additionally on March 10, 2016 the United States Bankruptcy Court approved an order recognizing the CCAA as the foreign main proceedings under Chapter 15. Mr. Brussa resigned as a director of Argent Energy Ltd. on June 30, 2016.

Mr. Brussa resigned as a director of Twin Butte Energy Ltd. ("**Twin Butte**") on September 1, 2016. On September 1, 2016, the senior lenders of Twin Butte (the "**Twin Butte Senior Lenders**") made an application to the Alberta Court of Queen's Bench to appoint a receiver and manager over the assets, undertakings and property of Twin Butte under the BIA and trading in the common shares of Twin Butte was suspended by the Toronto Stock Exchange. On September 1, 2016, the Twin Butte Senior Lenders were granted a receivership order by the Alberta Court of Queen's Bench.

Mr. Brussa and Mr. Zakresky were both directors of Virginia Hills Oil Corp. ("**VHO**"), a TSX Venture Exchange (the "**Exchange**") listed oil and gas company. On February 13, 2017, VHO received a demand notice and notice of intention to enforce security from its lenders and agreed to consent to the early enforcement of the lenders' security and the appointment of a receiver over all of the current and future assets, undertakings and properties of

VHO. The receiver was appointed on February 13, 2017. Mr. Brussa and Mr. Zakresky both resigned as directors of VHO on February 24, 2017.

### *Penalties and Sanctions*

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

### **Appointment of Auditors**

The Corporation's present auditors are KPMG LLP, Chartered Professional Accountants.

At the Meeting, Shareholders will be asked to appoint KPMG LLP, Chartered Professional Accountants, as auditors to serve until the close of the next annual meeting of Shareholders, and to authorize the directors to fix their remuneration.

**Unless a Shareholder has specified otherwise, the Management Designees, if named as proxy, will vote in favour of the appointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until their successors are appointed and to authorize the directors to fix their remuneration.**

### **Approval of Stock Option Plan**

At the Meeting, Shareholders will be asked to approve an ordinary resolution to ratify and approve the Corporation's amended and restated stock option plan (the "**Option Plan**"). A copy of the Option Plan is attached hereto as Appendix "B".

*The following is a summary only of the material terms of the Option Plan and is subject to, and qualified in its entirety by, the full text of the Option Plan. Shareholders are urged to read the entire Option Plan, which is attached hereto as Appendix "B".*

The purpose of the Option Plan is to afford persons who provide services to the Corporation, whether as directors, officers, employees or otherwise, an opportunity to obtain a proprietary interest in the Corporation by permitting them to purchase Common Shares. The Option Plan also aims to attract and retain persons of desired experience and ability to the Corporation and to retain and encourage the continued involvement of such persons with the Corporation.

The Option Plan is administered by the Board, who will, from time to time, grant stock options to eligible participants. Directors, officers and employees of, and consultants and advisors to, the Corporation are eligible to participate in the Option Plan.

The aggregate number of authorized but unissued Common Shares allocated and made available to be granted to eligible participants under the Option Plan and other share compensation arrangements may not exceed 10% of the outstanding Common Shares at any time. At no time may the number of Common Shares reserved or granted under stock options and other share compensation arrangements exceed 10% of the aggregate number of the then issued and outstanding Common Shares. The Common Shares in respect of which stock options are exercised or cancelled or expire unexercised for any reason shall be available for subsequent stock option grants. The terms of any stock options granted shall be for a period of time determined by the Board in its discretion, provided that

the term may not exceed 10 years and subject to earlier automatic termination when the holder ceases to be an eligible participant in accordance with the terms of the Option Plan.

The aggregate number of Common Shares subject to an option to an eligible participant under the Option Plan will be determined by the Board, but no participant may be granted options representing more than 5% of the issued and outstanding Common Shares within any 12-month period (the maximum number permitted by the Exchange to be granted to any one individual in a year). The aggregate number of options to be granted to any consultants or any participants conducting investor relation activities shall not exceed 2% of the issued and outstanding Common Shares within any 12-month period. Please refer to the discussion under *"Statement of Executive Compensation – Compensation Discussion and Analysis – Share-based and Option-based Awards – The Option Plan"* for more information.

In accordance with the rules of the Exchange, the Option Plan must be approved by the Shareholders annually. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, to approve the following ordinary resolution re-approving the Option Plan:

"BE IT RESOLVED, as an ordinary resolution of the holders of voting common shares in the capital of Coelacanth Energy Inc. (the "**Corporation**"), that:

1. the amended and restated stock option plan of the Corporation, in form attached as Appendix "B" to the Information Circular and Proxy Statement of the Corporation dated April 24, 2023, be and the same is hereby authorized and approved until the next annual general meeting of the shareholders of the Corporation; and
2. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of the Corporation or otherwise) that may be necessary or desirable to give effect to these resolutions."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders at the Meeting.

**Unless a Shareholder has specified otherwise, the Management Designees, if named as proxy, will vote in favour of the above resolution.**

### **Approval of Performance and Restricted Share Unit Plan**

At the Meeting, Shareholders will be asked to approve an ordinary resolution to ratify and approve the Corporation's performance and restricted share unit plan (the "**PRSU Plan**"). A copy of the PRSU Plan, is attached hereto as Appendix "C".

*The following is a summary only of the material terms of the PRSU Plan and is subject to, and qualified in its entirety by, the full text of the PRSU Plan. Shareholders are urged to read the entire PRSU Plan, which is attached hereto as Appendix "C".*

The purpose of the PRSU Plan is to provide directors, officers, employees, consultants and other service providers of the Corporation (collectively, "**Service Providers**") an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The number of Common Shares that may be reserved for issuance pursuant to awards granted under the PRSU Plan and other share compensation arrangements, including but not limited to the Option Plan, shall not exceed 10% of the total Common Shares issued and outstanding as at the time of the grant.

Service Providers are designated by the Board at their sole discretion. Service Providers are eligible to receive performance share units ("**PSUs**") and restricted share units ("**RSUs**"), pursuant to the PRSU Plan. Persons retained primarily to conduct investor relations activities are not eligible to participate in the PRSU Plan. Pursuant to the PRSU Plan, directors of the Corporation are only eligible to be awarded RSUs; they are not eligible to be awarded PSUs. Please refer to the discussion under "*Statement of Executive Compensation – Compensation Discussion and Analysis – Share-based and Option-based Awards – The PRSU Plan*" for more information.

In accordance with the rules of the Exchange, the PRSU Plan must be approved by the shareholders annually. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, to approve the following ordinary resolution re-approving the PRSU Plan:

"BE IT RESOLVED, as an ordinary resolution of the holders of voting common shares in the capital of Coelacanth Energy Inc. (the "**Corporation**"), that:

1. the performance and restricted share unit plan of the Corporation, in form attached as Appendix "C" to the Information Circular and Proxy Statement of the Corporation dated April 24, 2023, be and the same is hereby authorized and approved until the next annual general meeting of the shareholders of the Corporation; and
2. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under seal of the Corporation or otherwise) that may be necessary or desirable to give effect to these resolutions."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders at the Meeting.

**Unless a Shareholder has specified otherwise, the Management Designees, if named as proxy, will vote in favour of the above resolution.**



## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Compensation Governance*

#### Compensation Committee

The Compensation Committee has been appointed by the Board and is comprised of John Brussa, William Lancaster and Tom Medvedic, all independent directors within the meaning of National Instrument 52-110 *Audit Committees*. Each member of the Compensation Committee has direct experience that is relevant to his responsibilities in executive compensation, as well as the skills and experience necessary to enable him to make decisions as to the suitability of the Corporation's policies and practices. These skills were acquired, in part, through their involvement in executive management and other roles with other companies. Mr. Brussa is a Partner and the Chairman of Burnet, Duckworth & Palmer LLP, Mr. Lancaster is the President and Director of GMT Exploration Company LLC., and Mr. Medvedic is the Chief Financial Officer of NorthRiver Midstream Inc. In connection with their various responsibilities, all of the members of the Compensation Committee have experience in the implementation and management of compensation policies and practices.

The mandate of the Compensation Committee is to:

- (a) review the Corporation's overall corporate goals and objectives and ensure they are supported by appropriate executive compensation philosophy and programs;
- (b) annually evaluate the performance of the Chief Executive Officer against predetermined goals and criteria and recommend to the Board the total compensation for the Chief Executive Officer;
- (c) annually review and provide input in respect of the Chief Executive Officer's recommendations for compensation of the executives that report directly to the Chief Executive Officer;
- (d) review the succession planning process and results of the process as it relates to executive roles;
- (e) review, and approve as appropriate, any significant compensation and benefit programs for all employees; and
- (f) review and recommend to the Board the compensation to be provided to members of the Board and ensure its competitiveness.

The Compensation Committee convenes at least once a year to review compensation for all executive officers and conducts an independent evaluation of compensation for current management. The Compensation Committee submits its recommendations to the Board. The Compensation Committee has the goal of achieving an effective compensation structure that aligns the interests of management with those of the Shareholders.

#### Executive Compensation

The Corporation's policy is to provide a compensation package that will:

- (a) align executive compensation with Shareholders' interests;
- (b) attract and retain qualified executive officers;
- (c) focus performance by linking incentive compensation to the achievement of corporate objectives and financial results; and

- (d) encourage retention of key executives for leadership succession.

The Corporation relies solely on the Compensation Committee to determine the compensation of the Corporation's executive officers. While the Compensation Committee considers various factors (as discussed above) when determining executive compensation, it does not apply any formal objectives or criteria.

#### Compensation of the Chief Executive Officer

The factors considered by the Compensation Committee in determining total compensation for the Chief Executive Officer, as well as the manner in which these factors are reviewed, are similar to those used in determining total compensation for the other executive officers of the Corporation. However, in the case of the Chief Executive Officer, more weight is generally given to strategic planning to support future shareholder value and the reward for high performance generally takes the form of stock options (rather than some other component(s) of executive compensation discussed above). Following the Compensation Committee's evaluation of the Chief Executive Officer's performance, the Compensation Committee prepares a compensation recommendation for the review and approval of the Board.

The Compensation Committee's review of Mr. Zakresky's 2022 performance recognized the progress made on significant strategic and operational initiatives, which are expected to support long-term Shareholder value. In addition, Mr. Zakresky has kept the Board fully and transparently informed on issues of financial, operational and strategic importance and has ensured that executive officers and technical experts have been available to the Board.

#### *Components of Compensation*

The components of executive compensation of the Corporation are discussed below. Although each of the components has different objectives, each is considered by the Compensation Committee to be equally important and each must be competitive within the Corporation's peer group.

#### Base Salary

Base salaries for executive officers are determined by the Compensation Committee generally on the basis of position held, related responsibilities and functions performed, having regard to base salary ranges for similar positions in the Corporation's comparative group. The Compensation Committee also considers an annual industry survey containing comparative data for a peer group of oil and gas companies. Compensation levels are to approximate the median level of the survey, but individual and corporate performance are also considered by the Compensation Committee in assessing compensation.

#### Bonus Plan

Bonuses for executive officers are determined by the Compensation Committee generally on the basis of position held, related responsibilities and functions performed. The Compensation Committee also considers the Corporation's performance.

#### Stock Options

Stock options are granted by the Compensation Committee and, in determining the number of options to be granted, the Compensation Committee generally considers the number and terms of options previously granted to each executive officer, the number of options available for grant under the Option Plan while giving consideration to other share compensation arrangements, the responsibilities and functions of each executive officer, the individual performance of each executive officer and the overall performance of the Corporation. See "*Statement of Executive Compensation – Compensation Discussion and Analysis – Share-based and Option-based Awards – The Option Plan*".

## PSUs and RSUs

PSUs and RSUs are granted by the Compensation Committee and, in determining the number of PSUs and RSUs to be granted, the Compensation Committee generally considers the number and terms of options previously granted to each executive officer, the number of PSUs and RSUs available for grant under the PRSU Plan while giving consideration to other share compensation arrangements, the responsibilities and functions of each executive officer, the individual performance of each executive officer and the overall performance of the Corporation. See "*Statement of Executive Compensation – Compensation Discussion and Analysis – Share-based and Option-based Awards – The PRSU Plan*".

## Employee Stock Savings Plan ("ESSP")

All employees, including executive officers, of the Corporation are encouraged to contribute a portion of their salaries to the Corporation's ESSP. Employees may contribute, on a discretionary basis, a maximum of 10% of salary. Employees can choose to direct this money into registered retirement savings plans, tax-free savings accounts, or have it held in cash accounts. The Corporation does not have a pension plan and this savings plan provides a form of future retirement income. For each dollar contributed by the employee to the plan, the Corporation contributes one dollar. The funds are used to buy common shares in the open market. Both the employee and employer contributions are subject to restrictions on removal from the plan. The purposes of the plan are to provide the opportunity for employees to participate in the growth and development of the Corporation, to provide incentive to employees, to promote employee retention and to align the goals of employees with those of the Corporation in order to create shareholder value.

The Corporation's compensation practices, including the mix of base salary and short- and long-term incentives, are regularly assessed to ensure they are competitive, take account of external market trends and support the Corporation's long-term growth strategies.

## *Compensation Risk*

The Compensation Committee reviews compensation policies and practices of the Corporation taking into account any risks associated with these policies and practices. The Compensation Committee has not identified risks associated with the Corporation's compensation policies which could have a material adverse effect on the Corporation. Those risks and uncertainties which may have a material adverse effect on the Corporation are reviewed on a quarterly basis by management of the Corporation and the Audit Committee and are disclosed in the management's discussion and analysis which accompanies the Corporation's financial statements. None of these risks relates to the compensation policies and practices of the Corporation.

Although the Corporation has not adopted a formal policy forbidding an insider from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the insider, the Corporation is not aware of any insider having entered into this type of transaction.

Compensation levels for the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer (collectively, the "**Named Executive Officers**") during the fiscal year ended December 31, 2022 is based on total return on investment. As mentioned previously, the Corporation relies exclusively on the Compensation Committee to determine executive compensation and the Compensation Committee does not apply any formal objectives or criteria in doing so.

## *Share-based and Option-based Awards*

### The PRSU Plan

The purpose of the PRSU Plan is to Service Providers an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The number of Common Shares that may be reserved for issuance pursuant to awards granted under the PRSU Plan and other share compensation arrangements, including but not limited to the Option Plan, shall not exceed 10% of the total Common Shares issued and outstanding as at the time of the grant. As of April 24, 2023, an aggregate of 5,480,300 Common Shares were issuable upon the exercise of RSUs previously granted under the PRSU Plan (representing approximately 1.3% of the currently outstanding Common Shares). No PSUs have been issued to date.

Service Providers are designated by the Board at their sole discretion. Service Providers are eligible to receive PSUs and RSUs, pursuant to the PRSU Plan. Persons retained primarily to conduct investor relations activities are not eligible to participate in the PRSU Plan. Pursuant to the PRSU Plan, directors of the Corporation are only eligible to be awarded RSUs; they are not eligible to be awarded PSUs.

Subject to the provisions and restrictions of the PRSU Plan, the aggregate maximum number of Common Shares available under the PRSU Plan may be used for any type of award as determined and fixed by the Board, at their sole discretion. The Board shall have the authority to determine, in their sole discretion, at the time of a grant of any PSUs or RSUs the duration of the vesting period, except that no PSUs or RSUs, or portions thereof, may vest before the date that is one year following the date such PSUs or RSUs are granted or issued, or after the expiry date of the PSUs or RSUs, as applicable, or as otherwise provided in the PRSU Plan.

In accordance with the policies of the Exchange: (a) the aggregate number of Common Shares that may be issued pursuant to the PRSU Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares at the time of grant; (b) the number of Common Shares issuable to any one Service Provider under all security based compensation arrangements, including the PRSU Plan, within any one-year period, shall not exceed five percent (5%) of the issued and outstanding Common Shares; (c) the aggregate number of Common Shares issuable to any one Service Provider who is a consultant under all security based compensation arrangements, including the PRSU Plan within any one-year period, shall not exceed two percent (2%) of the issued and outstanding Common Shares; and (d) the aggregate number of Common Shares issuable to Insiders (as defined by the Exchange policies) at any time or within any one-year period, shall not exceed ten percent (10%) of the issued and outstanding Common Shares.

Service Providers may elect at any time to redeem vested awards on any date or dates after the date the awards become vested awards and on or before the expiry. Service Providers shall have no rights as shareholders in respect of any Common Shares covered by such Service Provider's PSUs or RSUs, as applicable, until the awards have been redeemed and a share certificate has been issued to such Service Provider.

If a Service Provider ceases to hold the position or positions (as the case may be) as a Service Provider for any reason other than death or disability, including by reason of termination or resignation, all vested PSUs or RSUs, as applicable, must be redeemed at the earlier of the expiry date and 90 days. If the Service Provider ceases to hold such position or positions (as the case may be) as an Service Provider by reason of disability, all vested PSUs or RSUs, as applicable, shall be automatically settled and the date of distribution of the Common Shares represented by such PSUs or RSUs, as applicable, shall be the 90<sup>th</sup> day after such date and all PSUs or RSUs unvested at the time such Service Provider ceases to hold such position or positions as an Service Provider shall terminate without payment and shall be of no further force or effect. In the case of death of an Service Provider, all vested PSUs or RSUs, as applicable, which shall vest within one year shall be automatically settled and the date of distribution of the Common Shares represented by such PSUs or RSUs, as applicable, shall be within one year after the death of the Service Provider and all other unvested PSUs or RSUs, as applicable, shall terminate without payment and shall be of no further force or effect. If the Service Provider ceases to hold the position or positions (as the case may be) as an Service Provider by reason of disability, any vested PSUs or RSUs, as applicable, held by such Service Provider under the PRSU Plan at the date such Service Provider ceases to hold the position or positions (as the case may be) as an Service Provider, shall be automatically settled and the distribution date shall be the 90<sup>th</sup> day after such date and all unvested PSUs or RSUs, as applicable, shall terminate without payment and shall be of no further force or effect.

Unless otherwise determined by the Board in its sole discretion, in the event of a change in control of the Corporation and a Service Provider is terminated without cause, or voluntarily terminated for good reason within 1 month prior to or 12 months following the change in control, any unvested PSUs or RSUs outstanding shall automatically become fully vested. All unvested RSUs held by directors of the Corporation shall become automatically vested upon a change in control unless otherwise determined by the Board in its sole discretion. The Common Shares issuable in respect of PSUs or RSUs, unless issued prior to the change of control, shall be deemed to be issued immediately prior to the completion of the transaction which would result in such change in control.

In the event the Corporation effects an amalgamation, combination, arrangement, merger or other reorganization or a subdivision or consolidation of Common Shares or any similar capital reorganization that warrants the amendment or replacement of any existing awards, the Board will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

### The Option Plan

The Option Plan authorizes the Board to issue stock options to certain directors, officers, key employees and others who provide direct or indirect services on an ongoing basis to the Corporation (collectively, "**Participants**"). The purpose of the Option Plan is to afford certain Participants an opportunity to obtain a proprietary interest in the Corporation by permitting them to purchase Common Shares, and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Corporation. The Option Plan is administered by the Board. The Board, from time to time, grants options to Participants under the Option Plan in such numbers and with such vesting provisions and additional conditions as are determined by the Board from time to time subject to the conditions contained in the Option Plan. No financial assistance is provided by the Corporation to Participants to facilitate the purchase of Common shares upon the exercise of options granted under the Option Plan.

As of April 24, 2023, an aggregate of 10,991,600 Common Shares were issuable upon the exercise of options previously granted under the Option Plan (representing approximately 2.9% of the currently outstanding Common Shares).

Currently, under the Option Plan:

- (a) The maximum number of Common Shares issuable under the Option Plan and other share compensation arrangements shall not exceed 10% of the issued and outstanding Common Shares from time to time. Common shares in respect of which options are exercised, cancelled or expire

unexercised for any reason shall be available for subsequent option grants under the Option Plan. No fractional shares may be purchased or issued under the Option Plan.

- (b) Any grant of options under the Option Plan is subject to the following limitations: (i) the aggregate number of Common Shares reserved for issuance pursuant to Options outstanding and pursuant to other share compensation arrangements at any time may not exceed 10% of the total issued and outstanding Common Shares; (ii) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one participant and pursuant to other share compensation arrangements may not exceed 5% of the total issued and outstanding Common Shares; (iii) the number of Common Shares that may be reserved for allotment to any one consultant of the Corporation (or any of its subsidiaries) pursuant to stock options and pursuant to other share compensation arrangements in any 12 month period must not exceed 2% of the issued and outstanding Common Shares; and (v) the number of Common Shares that may be reserved for allotment to any one person employed to provide investor relations activities pursuant to stock options in any 12 month period must not exceed 2% of the issued and outstanding Common Shares. In addition, stock options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than  $\frac{1}{4}$  of the stock options vesting in any 3 month period and a condition that such stock options will expire 30 days after the optionee ceases to be employed to provide investor relations activities; and (v) the aggregate number of Common Shares reserved for issuance pursuant to stock options granted to insiders of the Corporation under the Option Plan and pursuant to other share compensation arrangements at any time shall not exceed 10% of the total issued and outstanding Common Shares.
- (c) The exercise price of options shall be determined by the Board, provided that if the Common Shares are listed and posted for trading on any exchange, the exercise price shall not be less than the volume weighted average trading price of the shares on such exchange for the five trading days prior to the date of the grant of such options.
- (d) Subject to any specific requirements of any stock exchange upon which the Common Shares are then listed and posted for trading, the Board shall determine the vesting period or periods within the option term during which a Participant may exercise options or a portion thereof. In addition, in the event certain change of control events are proposed or contemplated, the Board may exercise its discretion, by way of a resolution, to permit accelerated vesting of then outstanding stock options.
- (e) The term of any option granted under the Option Plan shall be a period of time fixed by the Board, not to exceed 10 years and, unless the Board determines otherwise, options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are contained in the Option Plan or as the Board may from time to time impose or as may be required by any stock exchange or under applicable securities laws.
- (f) Subject to the terms of the applicable stock option agreement, in the event that a Participant ceases to be a director, officer, employee or service provider of the Corporation or a subsidiary of the Corporation for any reason other than death or termination for cause, the option may be exercised up to and including the earlier of the expiry time of the option and the date that is 90 days following the effective date of the notice of resignation, retirement or termination, as the case may be; in the event of termination for cause of the Participant, the option will expire and terminate immediately at the time of delivery of the notice of termination; in the event of the death of the Participant, the option may be exercised up to and including the earlier of the expiry time of the option and the date that is one year from the date of death.

- (g) Stock options are not transferable or assignable unless permitted by the stock exchange upon which the Common Shares are then listed and posted for trading.
- (h) Subject to applicable regulatory approval, the Board may, at any time and from time to time, amend, suspend or terminate the Option Plan or an stock option granted thereunder without the approval of the holders of Common Shares, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of a Participant where such amendment, suspension or termination materially prejudices the rights of such Participant.
- (i) Notwithstanding paragraph (h) above, and subject to prior review and approval of the Exchange, the Board may amend the Option Plan in any respect with prior approval of the holders of Common Shares, or disinterested approval from holders of Common Shares where applicable according to the policies of the Exchange and, without limiting the generality of the foregoing, the Board may make amendments to the Option Plan or any option granted thereunder for any of the following purposes: (A) to increase the maximum number of Common Shares allocated and made available to be granted to Participants under the Option Plan as set out in Section 4.3 of the Option Plan; (B) to increase the maximum number of Common Shares that may be reserved for issuance pursuant to stock options outstanding at any time as set out in Section 4.5 of the Option Plan; (C) to reduce the Option Price of stock options for the benefit of any Participant; (D) to extend the expiry time of stock options for the benefit of any Participant (subject to a maximum extension of the expiry time to ten years from the date of grant and any additional extension pursuant to Section 6.4 of the Option Plan); or (E) to amend the provisions of Article 13 of the Option Plan.
- (j) If the outstanding Common Shares are increased or decreased or changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised options. In addition, in certain circumstances, the Board has been granted the discretion to provide for accelerated vesting of stock options.

## Summary Compensation Table

The following table summarizes all direct and indirect compensation for, or in connection with, services provided to the Corporation for the financial period ended December 31, 2022 paid to the Named Executive Officers and, in accordance with the Corporation's bylaws, the four additional officers of the Corporation. As the Corporation became a reporting issuer on May 31, 2022, the figures below represent amounts paid from May 31, 2022 until December 31, 2022.

| Name and Principal Position                                                 | Year | Salary (\$) | Share-based Awards <sup>(1)</sup> (\$) | Option-based Awards <sup>(2)</sup> (\$) | Annual Incentive Plans <sup>(3)</sup> (\$) | Pension value <sup>(4)</sup> (\$) | All Other Compensation <sup>(5)</sup> (\$) | Total Compensation (\$) |
|-----------------------------------------------------------------------------|------|-------------|----------------------------------------|-----------------------------------------|--------------------------------------------|-----------------------------------|--------------------------------------------|-------------------------|
| (a)                                                                         | (b)  | (c)         | (d)                                    | (e)                                     | (f)                                        | (g)                               | (h)                                        | (i)                     |
| Robert Zakresky<br><i>President and Chief Executive Officer</i>             | 2022 | 180,833     | 276,329                                | 307,032                                 | 38,750                                     | -                                 | 18,083                                     | 821,027                 |
| Nolan Chicoine<br><i>Vice President Finance and Chief Financial Officer</i> | 2022 | 134,167     | 127,418                                | 141,576                                 | 32,500                                     | -                                 | 13,402                                     | 449,063                 |
| Terry Trudeau<br><i>Chief Operating Officer</i>                             | 2022 | 140,000     | 153,511                                | 170,568                                 | -                                          | -                                 | 14,000                                     | 478,079                 |
| Helmut Eckert<br><i>Vice President Land</i>                                 | 2022 | 94,269      | 96,714                                 | 107,460                                 | 20,000                                     | -                                 | 9,262                                      | 327,705                 |
| Peter Cochrane<br><i>Vice President Engineering</i>                         | 2022 | 125,417     | 96,714                                 | 107,460                                 | 25,000                                     | -                                 | 12,542                                     | 367,133                 |
| John Fur<br><i>Vice President Geosciences</i>                               | 2022 | 105,654     | 96,714                                 | 107,460                                 | 25,000                                     | -                                 | 10,408                                     | 345,236                 |
| Bret Kimpton <sup>(6)</sup><br><i>Vice President Operations</i>             | 2022 | 88,667      | 195,250                                | 204,750                                 | 25,000                                     | -                                 | 8,667                                      | 522,334                 |

### Notes:

- (1) This column shows the total compensation value that was awarded in the form of RSUs under the PRSU Plan. For purposes of this executive compensation disclosure, the fair value of the Share-based Awards was determined by multiplying the number of RSUs granted by the weighted average trading price of the Common Shares on the Exchange for the five-day period ended prior to the grant date which equated to \$0.54 in 2022 for all Named Executive Officer's (except Mr. Kimpton which equated to \$0.71). **The amounts in column (d) above are not necessarily reflective of actual amounts that may be realized on exercise. See "Statement of Executive Compensation – Incentive Awards – Outstanding Share-based Awards and Option-based Awards" which reflects the relevant values at December 31, 2022.**
- (2) Based on the grant date fair value of the applicable options on the date of grant. The fair value of each option granted is determined on the date of grant using the Black-Scholes-Merton option-pricing model based on the following weighted average assumptions for 2022: a risk-free interest rate of 3.1%; volatility of 70.1%; an average expected life of 4.0 years; an estimated forfeiture rate of 1.5%; and dividends of nil. The Corporation chose the Black-Scholes-Merton option-pricing model because it is recognized as the most common methodology used for valuing options and doing value comparisons. **The amounts in column (e) above are not necessarily reflective of actual amounts that may be realized on exercise. See "Statement of Executive Compensation – Incentive Awards – Outstanding Share-based Awards and Option-based Awards" which reflects the relevant values at December 31, 2022.**
- (3) Amounts relate to cash payments to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Components of Compensation – Bonus Plan".
- (4) The Corporation does not have any defined benefit or defined contribution plans.
- (5) Represents the Corporation's matching contributions under the ESPP in respect of contributions made by the Named Executive Officer. No property or other personal benefits were provided to the Named Executive Officers that are not generally available to all employees and, that in aggregate, were worth \$50,000 or more, or were worth 10% or more of the Named Executive Officer's total salary for the year ended December 31, 2022.
- (6) Mr. Kimpton became an officer of the Corporation on September 6, 2022.



## Incentive Awards

### *Outstanding Share-based Awards and Option-based Awards*

The following table sets out for each Named Executive Officer and, in accordance with the Corporation's By-laws, each of the four additional officers of the Corporation, information with respect to share-based awards outstanding at the end of the most recently completed financial year.

|                                                                                 | Number of Shares or Units of<br>Shares That Have Not<br>Vested <sup>(1)</sup><br>(#) | Market or Payout Value of<br>Share-based Awards That<br>Have Not Vested <sup>(2)</sup><br>(\$) | Market or Payout Value of<br>Vested Share-based Awards<br>Not Paid Out or Distributed<br>(\$) |
|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (a)                                                                             | (b)                                                                                  | (c)                                                                                            | (d)                                                                                           |
| Robert Zakresky<br><i>President and Chief Executive Officer</i>                 | 511,720                                                                              | 409,376                                                                                        | -                                                                                             |
| Nolan Chicoine<br><i>Vice President Finance and Chief<br/>Financial Officer</i> | 235,960                                                                              | 188,768                                                                                        | -                                                                                             |
| Terry Trudeau<br><i>Chief Operating Officer</i>                                 | 284,280                                                                              | 227,424                                                                                        | -                                                                                             |
| Helmut Eckert<br><i>Vice President Land</i>                                     | 179,100                                                                              | 143,280                                                                                        | -                                                                                             |
| Peter Cochrane<br><i>Vice President Engineering</i>                             | 179,100                                                                              | 143,280                                                                                        | -                                                                                             |
| John Fur<br><i>Vice President Geosciences</i>                                   | 179,100                                                                              | 143,280                                                                                        | -                                                                                             |
| Bret Kimpton<br><i>Vice President Operations</i>                                | 275,000                                                                              | 220,000                                                                                        | -                                                                                             |

**Notes:**

- (1) All relate to RSUs. No PSUs have been granted in the Corporation.
- (2) Based on the closing price of the Common Shares on the Exchange on December 31, 2022 of \$0.80.

The following table sets out for each Named Executive Officer and, in accordance with the Corporation's By-laws, each of the four additional officers of the Corporation, all stock option awards outstanding at the end of the most recently completed financial year, including stock options granted before the most recently completed financial year.

|                                                                             | Number of Securities<br>Underlying<br>Unexercised Options<br>(#) | Option<br>Exercise<br>Price<br>(\$) | Option Expiration<br>Date | Value of Unexercised<br>In-The-Money<br>Options <sup>(1)</sup><br>(\$) |
|-----------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------|---------------------------|------------------------------------------------------------------------|
| (a)                                                                         | (b)                                                              | (c)                                 | (d)                       | (e)                                                                    |
| Robert Zakresky<br><i>President and Chief Executive Officer</i>             | 1,023,440                                                        | 0.54                                | June 30, 2027             | 266,094                                                                |
| Nolan Chicoine<br><i>Vice President Finance and Chief Financial Officer</i> | 471,920                                                          | 0.54                                | June 30, 2027             | 122,699                                                                |
| Terry Trudeau<br><i>Chief Operating Officer</i>                             | 568,560                                                          | 0.54                                | June 30, 2027             | 147,826                                                                |
| Helmut Eckert<br><i>Vice President Land</i>                                 | 358,200                                                          | 0.54                                | June 30, 2027             | 93,132                                                                 |
| Peter Cochrane<br><i>Vice President Engineering</i>                         | 358,200                                                          | 0.54                                | June 30, 2027             | 93,132                                                                 |
| John Fur<br><i>Vice President Geosciences</i>                               | 358,200                                                          | 0.54                                | June 30, 2027             | 93,132                                                                 |
| Bret Kimpton<br><i>Vice President Operations</i>                            | 525,000                                                          | 0.71                                | September 6, 2027         | 47,250                                                                 |

**Note:**

- (1) Based on the closing price of the Common Shares on the Exchange on December 31, 2022 of \$0.80.

### *Incentive Awards – Value Vested or Earning During The Year*

The following table sets forth for each Named Executive Officer and, in accordance with the Corporation's By-laws, each of the three additional officers of the Corporation, details of the value vested or earned during the most recently completed financial year for each stock option plan award.

| <b>Name</b>                                                                   | <b>Option-based Awards –<br/>Value Vested During the<br/>Year<br/>(\$)</b> | <b>Share-based Awards –<br/>Value Vested During the<br/>Year<br/>(\$)</b> | <b>Non-equity Incentive Plan<br/>Compensation – Value<br/>Earned During the Year<br/>(\$)</b> |
|-------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>(a)</b>                                                                    | <b>(b)</b>                                                                 | <b>(c)</b>                                                                | <b>(d)</b>                                                                                    |
| Robert Zakresky<br><i>President and Chief Executive Officer</i>               | -                                                                          | -                                                                         | 38,750                                                                                        |
| Nolan Chicoine<br><i>Vice President Finance and Chief Financial Officer</i>   | -                                                                          | -                                                                         | 32,500                                                                                        |
| Terry Trudeau<br><i>Vice President Operations and Chief Operating Officer</i> | -                                                                          | -                                                                         | -                                                                                             |
| Helmut Eckert<br><i>Vice President Land</i>                                   | -                                                                          | -                                                                         | 20,000                                                                                        |
| Peter Cochrane<br><i>Vice President Engineering</i>                           | -                                                                          | -                                                                         | 25,000                                                                                        |
| John Fur<br><i>Vice President Geosciences</i>                                 | -                                                                          | -                                                                         | 25,000                                                                                        |
| Bret Kimpton<br><i>Vice President Operations</i>                              | -                                                                          | -                                                                         | 25,000                                                                                        |

### *Narrative Discussion – Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation*

#### Option-based Awards

No stock options held by Named Executive Officers vested during 2022. All of the stock options referred to in this section were granted under the Option Plan, as described earlier in this Information Circular.

#### Share-based Awards

None of the Corporation's share-based awards to Named Executive Officers vested during 2022. All of the share-based awards referred to in this section were RSUs granted under the PRSU Plan, as described earlier in this Information Circular.

#### Non-equity Incentive Plan Compensation

All non-equity incentive plan compensation referred to in this section relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular.

#### **Pension Plan Benefits**

The Corporation does not have any defined benefit, defined contribution or deferred compensation plans.

#### **Termination and Change of Control Benefits**

The Corporation does not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in a Named Executive Officer's responsibilities.

## Director Compensation

### Director Compensation Table

The following table sets forth all amounts of compensation provided to each director of the Corporation for services performed as a director in 2022.

| Name <sup>(1)</sup> | Fees earned | Share-based Awards <sup>(2)</sup><br>(\$) | Option-based Awards <sup>(3)</sup><br>(\$) | Non-Equity Incentive Plan Compensation <sup>(4)</sup><br>(\$) | Pension Value <sup>(5)</sup><br>(\$) | All Other Compensation <sup>(6)</sup><br>(\$) | Total Compensation<br>(\$) |
|---------------------|-------------|-------------------------------------------|--------------------------------------------|---------------------------------------------------------------|--------------------------------------|-----------------------------------------------|----------------------------|
| (a)                 | (b)         | (c)                                       | (d)                                        | (e)                                                           | (f)                                  | (g)                                           | (h)                        |
| William Lancaster   | 18,750      | 36,844                                    | 40,938                                     | -                                                             | -                                    | -                                             | 96,532                     |
| John Brussa         | 18,750      | 35,311                                    | 39,234                                     | -                                                             | -                                    | -                                             | 93,295                     |
| Tom Medvedic        | 16,250      | 30,704                                    | 34,116                                     | -                                                             | -                                    | -                                             | 81,070                     |
| Harvey Doerr        | 16,250      | 30,704                                    | 34,116                                     | -                                                             | -                                    | -                                             | 81,070                     |
| Raymond Hyer        | 16,250      | 30,704                                    | 34,116                                     | -                                                             | -                                    | -                                             | 81,070                     |
| Dion Hatcher        | 16,250      | 30,704                                    | 34,116                                     | -                                                             | -                                    | -                                             | 81,070                     |

#### Notes:

- (1) Robert Zakresky, President and Chief Executive Officer of the Corporation, is also a director of the Corporation. However, Mr. Zakresky does not receive any compensation for his services as a director and is therefore not listed in this table. See "Statement of Executive Compensation – Summary Compensation Table".
- (2) This column shows the total compensation value that was awarded in the form of RSUs under the PRSU Plan. For purposes of this executive compensation disclosure, the fair value of the Share-based Awards was determined by multiplying the number of RSUs granted by the weighted average trading price of the Common Shares on the Exchange for the five-day period ended prior to the grant date which equated to \$0.54 in 2022. **The amounts in column (d) above are not necessarily reflective of actual amounts that may be realized on exercise. See "Statement of Executive Compensation – Incentive Awards – Outstanding Share-based Awards and Option-based Awards" which reflects the relevant values at December 31, 2022.**
- (3) Based on the grant date fair value of the applicable options on the date of grant. The fair value of each option granted is determined on the date of grant using the Black-Scholes-Merton option-pricing model based on the following weighted average assumptions for 2022: a risk-free interest rate of 3.1%; volatility of 70.1%; an average expected life of 4.0 years; an estimated forfeiture rate of 1.5%; and dividends of nil. The Corporation chose the Black-Scholes-Merton option-pricing model because it is recognized as the most common methodology used for valuing options and doing value comparisons. **The amounts in column (e) above are not necessarily reflective of actual amounts that may be realized on exercise. See "Statement of Executive Compensation – Incentive Awards – Outstanding Share-based Awards and Option-based Awards" which reflects the relevant values at December 31, 2022.**
- (4) Amounts reported in column (e) relate to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular. All of such payments relate only to a single financial year, and are therefore part of the Corporation's annual incentive plan. The Corporation does not have any non-equity long-term incentive plans.
- (5) The Corporation does not have any defined benefit or defined contribution plans.
- (6) Amounts in this column relate to the Corporation's matching contributions under the ESPP in respect of contributions made by the Director. No property or other personal benefits were provided to the directors.

### Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation

The following table sets out for each director of the Corporation all share-based awards, for services performed as a director, outstanding at the end of the most recently completed financial year, including any share-based awards granted before the most recently completed financial year.

|                   | Number of Shares or Units of Shares That Have Not Vested <sup>(1)</sup><br>(#) | Market or Payout Value of Share-based Awards That Have Not Vested <sup>(2)</sup><br>(\$) | Market or Payout Value of Vested Share-based Awards Not Paid Out or Distributed<br>(\$) |
|-------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| (a)               | (b)                                                                            | (c)                                                                                      | (d)                                                                                     |
| William Lancaster | 68,230                                                                         | 54,584                                                                                   | -                                                                                       |
| John Brussa       | 65,390                                                                         | 52,312                                                                                   | -                                                                                       |
| Tom Medvedic      | 56,860                                                                         | 45,488                                                                                   | -                                                                                       |

|              | Number of Shares or Units of<br>Shares That Have Not<br>Vested <sup>(1)</sup><br>(#) | Market or Payout Value of<br>Share-based Awards That<br>Have Not Vested <sup>(2)</sup><br>(\$) | Market or Payout Value of<br>Vested Share-based Awards<br>Not Paid Out or Distributed<br>(\$) |
|--------------|--------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| (a)          | (b)                                                                                  | (c)                                                                                            | (d)                                                                                           |
| Harvey Doerr | 56,860                                                                               | 45,488                                                                                         | -                                                                                             |
| Raymond Hyer | 56,860                                                                               | 45,488                                                                                         | -                                                                                             |
| Dion Hatcher | 56,860                                                                               | 45,488                                                                                         | -                                                                                             |

**Notes:**

- (1) All relate to RSUs. No PSUs have been granted in the Corporation.
- (2) Based on the closing price of the Common Shares on the Exchange on December 31, 2022 of \$0.80.

The following table sets out for each director of the Corporation all stock option awards, for services performed as a director, outstanding at the end of the most recently completed financial year, including any stock options granted before the most recently completed financial year.

|                   | Number of Securities Underlying<br>Unexercised Options<br>(#) | Option Exercise<br>Price<br>(\$) | Option Expiration<br>Date | Value of Unexercised In-<br>The-Money Options <sup>(1)</sup><br>(\$) |
|-------------------|---------------------------------------------------------------|----------------------------------|---------------------------|----------------------------------------------------------------------|
| (a)               | (b)                                                           | (c)                              | (d)                       | (e)                                                                  |
| William Lancaster | 136,460                                                       | 0.54                             | June 30, 2027             | 35,480                                                               |
| John Brussa       | 130,780                                                       | 0.54                             | June 30, 2027             | 34,003                                                               |
| Tom Medvedic      | 113,720                                                       | 0.54                             | June 30, 2027             | 29,567                                                               |
| Harvey Doerr      | 113,720                                                       | 0.54                             | June 30, 2027             | 29,567                                                               |
| Raymond Hyer      | 113,720                                                       | 0.54                             | June 30, 2027             | 29,567                                                               |
| Dion Hatcher      | 113,720                                                       | 0.54                             | June 30, 2027             | 29,567                                                               |

**Note:**

- (1) Based on the closing price of the Common Shares on the Exchange on December 31, 2022 of \$0.80.

*Incentive Awards – Value Vested or Earning During The Year*

The following table sets forth for each director of the Corporation, for services performed as a director, details of the value vested or earned during the most recently completed financial year for each stock option plan award.

| Name              | Option-based Awards –<br>Value Vested During the<br>Year<br>(\$) | Share-based Awards –<br>Value Vested During the<br>Year<br>(\$) | Non-equity Incentive Plan<br>Compensation – Value<br>Earned During the Year<br>(\$) |
|-------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------------|
| (a)               | (b)                                                              | (c)                                                             | (d)                                                                                 |
| William Lancaster | -                                                                | -                                                               | -                                                                                   |
| John Brussa       | -                                                                | -                                                               | -                                                                                   |
| Tom Medvedic      | -                                                                | -                                                               | -                                                                                   |
| Harvey Doerr      | -                                                                | -                                                               | -                                                                                   |
| Raymond Hyer      | -                                                                | -                                                               | -                                                                                   |
| Dion Hatcher      | -                                                                | -                                                               | -                                                                                   |

**Note:**

- (1) Based on the closing price of the Common Shares on the Exchange on December 31, 2022 of \$0.80.

*Narrative Discussion – Share-based Awards, Option-based Awards and Non-equity incentive Plan Compensation*

Option-based Awards

No stock options held by directors vested during 2022. All of the stock options referred to in this section were granted under the Option Plan, as described earlier in this Information Circular.

## Share-based Awards

None of the Corporation's share-based awards to directors vested during 2022. All of the share-based awards referred to in this section were RSUs granted under the PRSU Plan, as described earlier in this Information Circular.

## Non-equity Incentive Plan Compensation

All non-equity incentive plan compensation referred to in this section relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular.

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

The following table details all compensation plans under which equity securities of the Corporation are authorized for issuance as at the date hereof:

| <b>Plan Category</b>                                              | <b>Number of Voting Common Shares to be Issued Upon Exercise of Outstanding RSUs and Options</b> | <b>Weighted-Average Exercise Price of Outstanding Options</b> | <b>Number of Voting Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans</b> |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Equity Compensation Plans Approved by Shareholders <sup>(1)</sup> | 16,471,900                                                                                       | 0.65                                                          | 26,066,516 <sup>(2)</sup>                                                                                     |
| Equity Compensation Plans Not Approved by Shareholders            | -                                                                                                | -                                                             | -                                                                                                             |
| <b>TOTAL</b>                                                      | <b>16,471,900</b>                                                                                | <b>0.65</b>                                                   | <b>26,066,516</b>                                                                                             |

### **Notes:**

- (1) Comprised of the Option Plan and the PRSU Plan.
- (2) This amount represents 10% of the total outstanding Common Shares less the number Common Shares issuable upon exercise of RSUs and stock options issued and outstanding as of the date hereof. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Share-based and Option-based Awards".

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer, each proposed nominee for elections as a director and each associate of the foregoing, has been, at any time, indebted to the Corporation or has indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation..

| <b>Aggregate Indebtedness (\$)</b> |                           |                          |
|------------------------------------|---------------------------|--------------------------|
| <b>Purpose</b>                     | <b>To the Corporation</b> | <b>To Another Entity</b> |
| (a)                                | (b)                       | (c)                      |
| Share Purchases                    | Nil                       | Nil                      |
| Other                              | Nil                       | Nil                      |

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

Except as disclosed elsewhere in this Information Circular, there are no material interests, direct or indirect, of any informed person, any proposed director, or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

## **CORPORATE GOVERNANCE PRACTICES**

National Policy 58-201 – *Corporate Governance Guidelines* provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions and their independence from management, as well as other means of addressing corporate governance practices. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") mandates that an issuer disclose, on an annual basis, its approach to corporate governance with reference to the form prescribed by NI 58-101.

Disclosure of the Corporation's corporate governance practices, in Form 58-101F1, is provided in Appendix "A" to this Information Circular.

Also, please see the section entitled "Audit Committee" in the Annual Information Form of the Corporation (the "**AIF**") dated April 18, 2023, which section is specifically incorporated by reference in this Information Circular, for information on the Audit Committee, as required to be disclosed under National Instrument 52-110 – *Audit Committees*. A copy of the AIF may be obtained from the Corporation's page on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **CONFLICTS OF INTEREST**

There are potential conflicts of interest to which some of the Corporation's directors and officers will be subject to in that they are engaged and will continue to be engaged in various capacities with other companies in the oil and gas industry. To the extent such conflicts arise, they will be dealt with in accordance with the relevant provisions of the *Business Corporations Act* (Alberta).

## **OTHER BUSINESS**

While there is no other business than that mentioned in the Notice of Meeting to be acted upon, it is intended that the proxies hereby solicited will be exercised upon any other matters or proposals that may properly be brought before the Meeting, or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to vote the proxies.

## **AUDITORS**

The current auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, 3100, 205 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 4B9. KPMG LLP, Chartered Professional Accountants, have been the auditors of the Corporation since its inception.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on the SEDAR website at [www.sedar.com](http://www.sedar.com). Shareholders requiring further information may also contact Robert Zakresky or Nolan Chicoine of the Corporation at 2100, 530 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3S8, or by telephone at (403) 705-4525.

Financial information regarding the Corporation is provided in the Corporation's consolidated financial statements and management's discussion and analysis ("**MD&A**") for its recently completed financial period. Shareholders may also contact the Corporation as set forth above to request copies of such consolidated financial statements and MD&A.

## APPENDIX "A"

### CORPORATE GOVERNANCE DISCLOSURE

#### *Board of Directors*

As of the date of this Information Circular, the board of directors (the "**Board**") of Coelacanth Energy Inc. (the "**Corporation**") consists of seven directors, the majority of whom are independent. The following table sets out the current members of the Board:

| Name                                      | Position                                      | Relationship to Corporation    |
|-------------------------------------------|-----------------------------------------------|--------------------------------|
| Robert Zakresky                           | President, Chief Executive Officer & Director | Not Independent <sup>(8)</sup> |
| William Lancaster <sup>(2)(3)(6)(7)</sup> | Director                                      | Independent                    |
| John Brussa <sup>(1)(2)(4)</sup>          | Director                                      | Independent                    |
| Tom Medvedic <sup>(1)(2)(5)</sup>         | Director                                      | Independent                    |
| Harvey Doerr <sup>(3)(4)(5)(6)</sup>      | Director                                      | Independent                    |
| Raymond Hyer <sup>(1)(3)(4)</sup>         | Director                                      | Independent                    |
| Dion Hatcher <sup>(3)(5)(6)</sup>         | Director                                      | Independent                    |

#### **Notes:**

- (1) Members of the Audit Committee of the Board.
- (2) Member of the Compensation Committee of the Board.
- (3) Member of the Reserves Committee of the Board.
- (4) Member of the Corporate Governance Committee of the Board.
- (5) Member of the Health, Safety and Environment Committee of the Board.
- (6) Member of the Environmental, Social and Governance Committee of the Board.
- (7) As Chairman, Mr. Lancaster is responsible for the management, development and effective performance of the Board and provides leadership to the Board in all aspects of its work, in accordance with the mandate of the Chairman.
- (8) Mr. Zakresky is not considered an independent director as he is also an officer of the Corporation.

#### *Other Directorships*

Several of the directors of the Corporation are directors of other reporting issuers, as outlined in the table below:

| Name              | Other Directorships                                                                     |
|-------------------|-----------------------------------------------------------------------------------------|
| John Brussa       | Cardinal Energy Ltd., Crew Energy Inc., CVW CleanTec Corp., Crown Capital Partners Inc. |
| William Lancaster | Pipestone Energy Corp.                                                                  |
| Dion Hatcher      | Vermilion Energy Inc.                                                                   |

#### *Independent Directors*

The independent directors of the Corporation meet regularly without non-independent directors and management at the conclusion of each scheduled Board meeting and whenever they see fit. There were three Board meetings held during 2022.

In addition, the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Reserves Committee and the Safety Committee of the Board are comprised entirely of independent directors. Meetings of these committees provide a forum for open and candid discussion among the Corporation's independent directors. There were three committee meetings of the independent directors held during 2022.

The Chairman of the Board is Mr. Lancaster, who is an independent director of the Corporation.

### *Board Meeting Attendance*

Director attendance at Board meetings held during 2022 is set forth in the table below:

| Name              | Board Meeting Attendance |
|-------------------|--------------------------|
| Robert Zakresky   | 3/3                      |
| William Lancaster | 3/3                      |
| John Brussa       | 3/3                      |
| Tom Medvedic      | 3/3                      |
| Harvey Doerr      | 3/3                      |
| Raymond Hyer      | 2/3                      |
| Dion Hatcher      | 3/3                      |

### *Board Charter*

The Board, either directly or through its committees, is responsible for the supervision of management of the Corporation and the business and affairs of the Corporation with the objective of enhancing shareholder value. The Board's written charter is attached as Exhibit 1 to this Appendix "A".

### *Position Descriptions*

The Board has developed written position descriptions for the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Corporate Secretary. Written position descriptions have not been specifically developed for the chair of each committee; however, each chair is responsible for guiding its committee pursuant to the procedures and guidelines set out in each committee charter.

### *Orientation and Continuing Education*

The Corporation has established a Corporate Governance Committee formally responsible for the orientation and education of new directors. Orientation consists primarily of an overview of the role of the Board and its committees and a review of the business, policies and practices of the Corporation. Each new director is also provided with a Board manual, which includes the various position descriptions, mandates and policies.

As part of continuing education, the Board receives management presentations with respect to the operations and risks of the business of the Corporation at least four times per year, with a more significant presentation provided in conjunction with the annual budgeting process and annual strategic planning meeting with all directors and officers in attendance. In addition, the opportunity is available for individual directors to identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

### *Ethical Business Conduct*

The Board has developed a Code of Business Conduct and Ethics (the "**Code**") which outlines the minimum standards of behaviour required by all employees in conducting the business and affairs of the Corporation. Underlying the Code is the expectation that employees maintain and enhance the Corporation's standing as a vigorous and ethical member of the business community. A copy of the Code can be obtained by contacting the Chief Financial Officer at [nchicoine@coelacanth.ca](mailto:nchicoine@coelacanth.ca) or can be found on the Corporation's page on SEDAR at [www.sedar.com](http://www.sedar.com).

In conjunction with the Code, the Board has also developed a Disclosure and Confidentiality Policy and a Share Trading Policy. These policies have been developed, respectively, to ensure that communications to the investing public are timely, factual, accurate and broadly disseminated in accordance with all applicable laws and



regulations and to prescribe rules for directors, officers, and employees of the Corporation with respect to trading in securities of the Corporation.

The Board has adopted a Treatment of Complaints Policy to encourage reporting of misconduct and to ensure that concerns regarding questionable business practices can be raised without fear of discrimination, retaliation or harassment. This policy provides an avenue for individuals to confidentially and anonymously report directly to the Chief Executive Officer or the Chief Financial Officer or if it is inappropriate to submit to such officers, to the Chairman of the Audit Committee complaints and concerns regarding accounting, internal auditing controls or auditing matters without fear of victimization discrimination or disadvantage.

The Audit Committee of the Board monitors compliance with the Code by receiving, from the Chairman of the Audit Committee, a quarterly report showing all submissions of reportable complaints received during the previous quarter through all channels of communication, how such complaints were handled, results of any investigations and any corrective actions taken.

#### *Nomination of Directors*

A formal process for the nomination of directors has not yet been implemented; however, as stated in the Corporate Governance Committee charter, it is the responsibility of such committee to propose to the Board, on an annual basis, the members proposed for re-election to the Board and to identify and recommend new nominees to the Board. The fact that all of the members of the Corporate Governance Committee are independent helps to ensure that the nomination process is objective.

#### *Audit Committee*

The purpose of the Audit Committee is to ensure that the Corporation's management has designed and implemented an effective system to review and report on the integrity of the financial statements of the Corporation. The Audit Committee charter is attached as Appendix "C" to the Annual Information Form of the Corporation April 18, 2023.

#### *Compensation Committee*

The Compensation Committee, composed entirely of independent directors, implements and oversees human resources and compensation policies recommended by such committee and approved by the Board, specifically those concerning executive compensation, contracts and stock option plans and those concerning proposed changes involving officers reporting to the Chief Executive Officer. The committee also ensures that the Corporation has programs in place to attract and develop management of the highest caliber and a process to provide for the orderly succession of management, sets the annual salary, bonus, and other benefits of the Chief Executive Officer and approves the compensation for all other designated officers. For further information, see "Statement of Executive Compensation – Compensation Discussion and Analysis" in the Information Circular to which this Appendix "A" is attached.

#### *Corporate Governance Committee*

The purposes of the Corporate Governance Committee are to provide a focus on corporate governance that will enhance corporate performance and to ensure that the Corporation's corporate governance system is effective in discharging the Board's obligations to the Corporation's stakeholders. The committee's responsibilities include developing and monitoring the Corporation's overall approach to corporate governance issues and implementing and administering a system of corporate governance that reflects superior standards of corporate governance practices.

### *Reserves Evaluation Committee*

The purpose of the Reserves Evaluation Committee is to review the results of independent engineering appraisals of the Corporation's oil and gas reserves. The committee's responsibilities include ensuring that the Corporation's reserves are assessed in a reasonable and consistent manner to provide a satisfactory level of confidence for all stakeholders and the public and ensuring that the disclosure relating to the same is accurate and timely.

### *Safety Committee*

The purpose of the Safety Committee is to review and monitor the environmental policies and activities of the Corporation and to review and monitor the activities of the Corporation in relation to the health and safety of employees of the Corporation in the workplace. The committee's responsibilities include reviewing and monitoring the environmental and health and safety policies and activities of the Corporation to ensure that the Corporation is in compliance with all applicable laws and regulations and recommending actions for developing policies, programs, and procedures to ensure that the principles set out in the Corporation's policies related to the environment and health and safety are being adhered to and achieved.

### *Board Assessment*

The Corporation has a formal process in place for assessing the Board, its committees and individual Board members. As part of such process, each Board member will be required to complete, on an annual basis, a detailed questionnaire related to the performance of the Board, its committees and the members thereof.

## **EXHIBIT 1 TO APPENDIX "A"**

### **CHARTER OF THE BOARD OF DIRECTORS**

*(Adopted by the Board of Directors in November of 2022)*

#### **PURPOSE**

The board of directors (the "**Board**") has the responsibility for the overall stewardship of the conduct of the business of Coelacanth Energy Inc. (the "**Corporation**") and the activities of management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure that the Corporation meets its obligations on an ongoing basis and to ensure that the Corporation operates in a reliable and safe manner. In performing its functions, the Board will also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Corporation. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, shall set the standards of conduct for the Corporation.

#### **PROCEDURES AND ORGANIZATION**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs, including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Subject to the Articles and By-laws of the Corporation and the *Business Corporations Act* (Alberta) (the "**Act**"), the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to committees of the Board.

#### **COMPOSITION**

The Board shall be composed of a majority of "independent" directors, as such term is defined under applicable securities legislation. The size of the Board shall be such that it will facilitate substantive discussions of the whole Board in which each director can participate meaningfully.

#### **DUTIES AND RESPONSIBILITIES**

The Board's principal duties and responsibilities fall into a number of categories which are outlined below:

##### **1. Legal Requirements**

- (a) The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;
- (b) The Board has the statutory responsibility to:
  - (i) manage the business and affairs of the Corporation;
  - (ii) act honestly, in good faith and with a view to the best interests of the Corporation;
  - (iii) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and

- (iv) act in accordance with its obligations contained in the Act and the regulations thereto, the Corporation's Articles and By-Laws, securities legislation of each province and territory of Canada, and other relevant legislation and regulations.
- (c) Each member of the Board must:
  - (i) commit the time and energy necessary to properly carry out his or her duties;
  - (ii) except in the case of extenuating circumstances, attend all regularly scheduled Board and committee meetings, as applicable, in person or by telephone; and
  - (iii) review in advance all meeting materials and otherwise adequately prepare for all regularly scheduled Board and committee meetings, as applicable.
- (d) 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 or in the office of auditor;
  - (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 Corporation;
  - (vi) the payment of a commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation from the Corporation 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;
  - (ix) the approval of financial statements of the Corporation; and
  - (x) the adoption, amendment or repeal of By-laws of the Corporation.

## 2. **Independence**

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management. The independent directors may hold meetings at which non-independent directors and members of management are not in attendance if deemed necessary or appropriate.

### 3. **Strategy Determination**

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through its committees, at least annually, in developing and approving the business goals of the Corporation and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Corporation's business.

### 4. **Managing Risk**

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

### 5. **Division of Responsibilities**

The Board has the responsibility to:

- (a) appoint and delegate responsibilities to committees where appropriate to do so and hereby establishes six standing committees of the Board: an Audit Committee, a Compensation Committee, a Reserves Committee, a Corporate Governance Committee, a Health Safety & Environment (HSE) Committee, and an Environment, Social & Governance (ESG) Committee; each committee shall be composed entirely of independent directors or a majority of independent directors, as deemed appropriate, and each committee shall have a written charter; and
- (b) develop the mandate/position descriptions for:
  - (i) the Board;
  - (ii) the Chair of the Board (and of the committees, if deemed necessary);
  - (iii) the Chief Executive Officer;
  - (iv) the Chief Financial Officer;
  - (v) the Chief Operating Officer; and
  - (vi) the Corporate Secretary.

### 6. **Appointment, Training and Monitoring Senior Management**

The Board has the responsibility to:

- (a) appoint the Chief Executive Officer, to monitor and assess the Chief Executive Officer's performance and satisfy itself as to the integrity of the Chief Executive Officer, to determine the Chief Executive Officer's compensation and to provide advice and counsel in the execution of the Chief Executive Officer's duties;

- (b) approve the appointment of all officers, acting upon the advice of the Chief Executive Officer;
- (c) approve the remuneration of all officers in consultation with the Chief Executive Officer to the extent not delegated to the compensation committee;
- (d) ensure that adequate provision has been made to appoint, train and develop management and for the orderly succession of management; and
- (e) ensure that management is aware of the Board's expectations of management, including that management will, among other things:
  - (i) review continuously the Corporation's strategies and their implementation in light of evolving conditions;
  - (ii) present a comprehensive annual operating plan and budget and report regularly on the Corporation's performance and results relative to that plan and budget;
  - (iii) report regularly on the Corporation's business and affairs, with a focus on matters of material consequence to the Corporation;
  - (iv) implement systems to identify and manage the principal risks of the Corporation's business;
  - (v) implement and maintain appropriate systems of internal control; and
  - (vi) implement and maintain appropriate disclosure controls and procedures.

## 7. **Policies, Procedures and Compliance**

The Board has the responsibility, either as a whole or through committees of the Board, to:

- (a) ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) monitor and confirm compliance with significant policies and procedures by which the Corporation is operated;
- (c) ensure that the Corporation sets high environmental standards in its operations and has appropriate systems and procedures in place to ensure and confirm compliance with environmental laws and legislation;
- (d) ensure that the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- (e) ensure that the Corporation develops an approach to compensation for directors and officers;
- (f) ensure that the Corporation develops an approach to corporate governance, including developing a set of corporate governance principles and guidelines;

- (g) approve incentive or equity based compensation plans, recommend any amendments thereto and approve all grants thereunder; and
- (h) approve the content and filing of the information required to be filed under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

**8. Reporting and Communication**

The Board has the responsibility to:

- (a) ensure that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally, including overseeing the effectiveness of the disclosure and confidentiality policy;
- (b) ensure that the financial performance of the Corporation is adequately reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (c) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards, consistently applied;
- (d) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- (e) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
- (f) develop appropriate measures for receiving shareholder feedback.

**9. Monitoring and Acting**

The Board has the responsibility to:

- (a) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (b) take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (c) ensure that the Corporation has implemented adequate internal control and management information systems which ensure the effective discharge of its responsibilities to the extent not delegated to the audit committee;
- (d) make regular assessments of the Board's effectiveness; and
- (e) review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board.

10.     **Meetings**

The Chair shall be responsible for developing the agenda and determining the time, place and frequency of Board meetings. Meetings of the Board will be conducted in accordance with the By-laws of the Corporation.



**APPENDIX "B"**  
**STOCK OPTION PLAN**

**COELACANTH ENERGY INC.**

**AMENDED AND RESTATED STOCK OPTION PLAN**

**1. Purpose of the Plan**

1.1 The purpose of the Plan, as amended or varied from time to time, is to provide the Participants with an opportunity to purchase Common Shares of the Corporation and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

**2. Defined Terms**

2.1 Where used herein, the following terms shall have the following meanings:

- (a) **"Black-out Period"** means the period of time when, pursuant to any policies of the Corporation, securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (b) **"Board"** means the board of directors of the Corporation;
- (c) **"Common Shares"** means the voting common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (d) **"Corporation"** means Coelacanth Energy Inc. and includes any successor corporation thereof;
- (e) **"Exchange"** means any stock exchange in Canada on which the Common Shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (f) **"Exercise Notice"** means the notice in writing signed by the Participant or the Participant's legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (g) **"Expiry Time"** means the time at which the Options will expire, being 4:00 p.m. (Calgary time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten (10) years from the date of grant;
- (h) **"Fair Market Value"** at any date means the closing trading price of the Common Shares on the Exchange on the last trading day immediately preceding such date or if the Common Shares did not trade on the last business day preceding such date, the average of the bid and ask prices in respect of the Common Shares at the close of trading on such date on the Exchange; in the event that the Common Shares are not then listed and posted for trading

on any stock exchange in Canada, the Fair Market Value shall be determined by the Board in its sole discretion;

- (i) **"Insider"** has the meaning ascribed thereto in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time;
- (j) **"Market Price"** per Common Share at any date means the volume weighted average trading price of the Common Shares on the Exchange for the five trading days prior to such date; in the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada the Market Price shall be determined by the Board in its sole discretion;
- (k) **"Option"** means an option to purchase Common Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (l) **"Option Price"** means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (m) **"Participants"** means the directors, officers, employees and other Service Providers of the Corporation or its Subsidiaries, as such terms are defined by the Exchange;
- (n) **"Permanent Disability"** means the mental or physical state of the Participant whereby such person has to a substantial degree been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his obligations as a director, officer or Service Provider of the Corporation either for any consecutive four-month period or for any period of six months (whether or not consecutive) in any consecutive twelve (12)-month period, and the Corporation has certified the same in writing, or a court of competent jurisdiction has declared the Participant to be mentally incompetent or incapable of managing his affairs;
- (o) **"Plan"** means this Amended and Restated Stock Option Plan of the Corporation, as the same may be amended or varied from time to time;
- (p) **"Service Provider"** means:
  - (i) an employee or Insider of the Corporation or any of its Subsidiaries, or
  - (ii) any other person or company engaged to provide on an ongoing basis consulting, technical or management or other services to the Corporation or any of its Subsidiaries under a written contract and spends a significant amount of time and attention on the affairs of the Corporation or any of its Subsidiaries such that they are knowledgeable about the business and affairs of the Corporation or any of its Subsidiaries;
- (q) **"Subsidiary"** means any body corporate that is a subsidiary of the Corporation, as such term is defined under subsection 2(4) of the *Business Corporations Act* (Alberta), as such provision is from time to time amended, varied or re-enacted;
- (r) **"Take-over Bid"** has the meaning ascribed thereto in the *Securities Act* (Alberta), as such provision is from time to time amended, varied or re-enacted; and

- (s) "VWAP" has the meaning ascribed thereto in the TSX Venture Exchange Corporate Finance Manual, as amended from time to time.

### **3. Administration of the Plan**

3.1 The Board shall administer the Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: the Participants to whom, and the time or times at which, the Options will be granted; the number of Common Shares which shall be the subject of each Option; any vesting provisions attaching to the Option; and, the terms and provisions of the respective stock option agreements, provided, however, that each director, employee or Service Provider shall have the right not to participate in the Plan and any decision not to participate shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent, confirm and provide evidence of such eligibility as may be required.

3.2 An Option shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be substantially in the form attached as Schedule "A" hereto.

### **4. Granting of Option**

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Corporation and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to the provisions of the Plan.

4.2 In each instance where an Option is granted to a Participant, the Corporation and such Participant to whom the Option is being granted are responsible for ensuring and confirming that such Participant is a bone fide Participant.

4.3 Each Option holder, concurrently with the entering into of the above agreement, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided to each Option holder.

4.4 The maximum number of Common Shares issuable under the Plan and other share compensation arrangements shall not exceed ten percent (10%) of the issued and outstanding Common Shares from time to time. Options which have been exercised, cancelled or expire unexercised for any reason shall be returned to the Plan and will be available again for grant under the Plan. No fractional shares may be purchased or issued hereunder.

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

4.6 The Plan shall be subject to the following limitations:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to Options outstanding and pursuant to other share compensation arrangements at any time may not exceed ten percent (10%) of the total issued and outstanding Common Shares;
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant hereunder and pursuant to other share compensation arrangements

in any twelve (12)-month period may not exceed five percent (5%) of the total issued and outstanding Common Shares;

- (c) the number of Common Shares that may be reserved for allotment to any one consultant of the Corporation (or any of its subsidiaries) pursuant to Options and pursuant to other share compensation arrangements in any twelve (12)-month period must not exceed two percent (2%) of the issued and outstanding Common Shares;
- (d) the aggregate number of Common Shares that may be reserved for issuance pursuant to Options granted to any persons employed to provide investor relations activities in any twelve (12)-month period must not exceed two percent (2%) of the issued and outstanding Common Shares. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than one-quarter ( $\frac{1}{4}$ ) of the Options vesting in any three-month period and a condition that such Options will expire thirty (30) days after the Participant ceases to be employed to provide investor relations activities;
- (e) unless the requisite disinterested approval from holders of Common Shares is obtained, the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders (as a group) hereunder and pursuant to other share compensation arrangements in any twelve (12)-month period shall not exceed ten percent (10%) of the total issued and outstanding Common Shares, calculated as at the date any Option is granted to any Insider; and
- (f) unless the requisite disinterested approval from holders of Common Shares is obtained, the aggregate number of Common Shares issuable to Insiders (as a group), at any time, pursuant to Options granted hereunder and pursuant to other share compensation arrangements shall not exceed ten percent (10%) of the total issued and outstanding Common Shares, calculated as at the date any Option is granted to any Insider.

4.7 All Options granted pursuant to the Plan shall be subject to any regulatory body having jurisdiction and if applicable, the rules and policies of the Exchange.

4.8 A Participant who has been granted an Option may, if otherwise eligible, be granted an additional Option if the Board so determines and if permitted under the policies of the Exchange, if applicable.

## **5. Option Price**

5.1 The Board shall fix the Option Price at the time the Option is granted to a Participant, provided that if the Common Shares are listed and posted for trading on an Exchange, the Option Price shall not be less than the lesser of (i) the Market Price of the Common Shares on the Exchange at the time of grant, and (ii) the Discounted Market Price (as defined in Policy 1.1 of the Exchange).

## **6. Term of Option**

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years and, unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose or as may be required by the Exchange or under applicable securities laws.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with any stock option agreement entered into hereunder or in accordance with Article 11 hereof.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term during which a Participant may exercise Options or a portion thereof.

6.4 If any Options may not be exercised due to any Black-out Period at any time within the three (3) business day period prior to the Expiry Time of such Options (the "**Restricted Options**"), the Expiry Time of all Restricted Options shall be extended for a period of seven (7) business days following the end of the Black-out Period (or such longer period as permitted by the Exchange and approved by the Board).

## **7. Exercise of Option**

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery to the Corporation's principal office in Calgary, Alberta of the Exercise Notice. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by cash, a cheque or a bank draft for the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

7.2 Provided that the Common Shares are listed on the Exchange and that the Corporation is in compliance with applicable Exchange requirements, a Participant may, in lieu of paying the Option Price for Common Shares to be issued upon the exercise of Options, elect to receive, subject to any applicable withholding requirements and compliance with Exchange Policy 4.4, in respect of all or a portion of the Options being exercised an amount per Option equal to the difference between the VWAP, at the date of receipt by the Corporation of the Exercise Notice, and the Option Price, against surrender of such Option by the Participant to the Corporation for no additional consideration.

## **8. Adjustments in Shares**

8.1 If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion but subject to the approval of the Exchange in respect of any of the foregoing other than subdivisions or consolidations, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Corporation's capital.

8.2 Subject to approval of the Exchange as required under Section 8.1, determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

## **9. Accelerated Vesting**

9.1 In the event that certain events such as a Take-over Bid, liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more entities, as a result of which the Corporation is not the surviving entity, are proposed or contemplated, the Board may, notwithstanding the terms of the Plan or stock option agreements issued hereunder (a) exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time, and (b) in the event of an acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal Expiry Time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 In addition to the above, an Option may provide for acceleration of the vesting provisions contained therein upon other events resulting in a change of control of the Corporation or upon a Participant ceasing to be a director, officer, employee or Service Provider of the Corporation or a Subsidiary for any reason, on such terms as the Board determines in its sole discretion at the time of the grant of the Option.

9.3 Where the accelerated vesting provisions of this Article 9 apply, the Corporation may satisfy any obligations to a Participant hereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted hereunder and the fair market value of the securities to which the Participant would be entitled upon exercise of all unexercised Options.

9.4 Notwithstanding any other provision of this Article 9 to the contrary, no Options held by any Investor Relations Service Provider shall be subject to accelerated vesting pursuant to this Article 9 without prior approval of the Exchange.

## **10. Decisions of the Board**

10.1 All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Corporation who are eligible to participate under the Plan.

## **11. Ceasing to be a Director, Officer, Employee or Service Provider**

11.1 Subject to the terms of the applicable stock option agreement, in the event of the Participant ceasing to be a director, officer, employee or Service Provider of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant and the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of the Expiry Time and a date that is ninety (90) days following the effective date of such notice of resignation or retirement or a date that is ninety (90) days following the date notice of termination of employment is given by the Corporation or a Subsidiary, subject to such shorter period as may be otherwise specified in a stock option agreement, whether such termination is with or without

reasonable notice, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.2 In consideration of the Option hereby granted, in the event of the resignation or retirement of the Participant or the termination of employment by the Corporation without cause, the Participant hereby covenants not to sue the Corporation for damages arising from the loss of rights granted hereunder and releases the Corporation from any damages.

11.3 Notwithstanding the foregoing, in the event of termination for cause, such Option shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

11.4 In the event of the death of a Participant at or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is one year from the date of death of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 In the event of the Permanent Disability of a Participant at or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is six (6) months from the date of Permanent Disability of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.6 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any Subsidiary.

## **12. Transferability**

12.1 All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless permitted by the Exchange. In any event, such options may not be exercised by a person in the United States in the absence of an exemption from the registration requirements of applicable United States laws.

## **13. Amendment or Discontinuance of Plan**

13.1 The Board may, at any time and from time to time, amend, suspend or terminate the Plan or an Option without the approval of the holders of Common Shares, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of a Participant where such amendment, suspension or termination materially prejudices the rights of such Participant.

13.2 Notwithstanding the provisions of Sections 13.1, and subject to prior review and approval of the Exchange, the Board may amend this Plan in any respect with prior approval of the holders of Common Shares, or disinterested approval from holders of Common Shares where applicable according to the

policies of the Exchange and, without limiting the generality of the foregoing, the Board may make amendments to the Plan or any Option for any of the following purposes:

- (a) to increase the maximum number of Common Shares allocated and made available to be granted to Participants under the Plan as set out in Section 4.4 hereof;
- (b) to increase the maximum number of Common Shares that may be reserved for issuance pursuant to Options outstanding at any time as set out in Section 4.5 hereof;
- (c) to reduce the Option Price of Options for the benefit of any Participant, subject to receipt of approval of disinterested shareholders of the Corporation where such reduction is in respect of Options held by Insiders;
- (d) to extend the Expiry Time of Options for the benefit of any Participant (subject to a maximum extension of the Expiry Time to ten (10) years from the date of grant and any additional extension pursuant to Section 6.4 hereof), subject to receipt of approval of disinterested shareholders of the Corporation where such extension is in respect of Options held by Insiders; or
- (e) to amend the provisions of this Article 13.

#### **14. Participants' Rights**

14.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares, upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any contract of employment with the Corporation or any Subsidiary.

#### **15. Withholdings and Tax Election**

15.1 To the extent required under applicable law or regulation and subject to compliance with Exchange Policy 4.4, the Corporation shall be entitled to take all reasonable and necessary steps, including the sale of any Common Shares issued upon the exercise of any Option granted under the Plan (other than a redemption or purchase for cancellation), or obtain all reasonable or necessary indemnities, assurances, payments or undertakings, to the sole satisfaction of the Corporation, to satisfy any tax remittance obligations of the Corporation to any taxing authorities arising in respect of any exercise of any Options granted under the Plan by the Corporation and the Chief Executive Officer or the Chief Financial Officer of the Corporation shall be and is hereby appointed as the irrevocable attorney-in-fact for any person granted an Option under this Plan to take all such reasonable and necessary steps or sales of Common Shares. The Corporation does not accept responsibility for the price obtained on the sale of such Common Shares.



15.2 Holders of Options (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan or under any stock option agreement, whether arising as a result of the grant or exercise of Options or otherwise. The Corporation makes no guarantee or representation to any person regarding the tax treatment of Options or payments made under the Plan or any stock option agreement and none of the Corporation, or any of its officers, directors, employees or other representatives, shall have any liability to a Participant with respect thereto.

15.3 With respect to all Options, the Corporation agrees to elect under subsection 110(1.1) of the *Income Tax Act* (Canada), as amended and the regulations promulgated thereunder, so as to permit an holder of Options to claim a deduction under paragraph 110(1)(d) of the said Act with respect to the exercise price.

## **16. Government Regulation**

16.1 The Corporation's obligations to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

## **17. Costs**

17.1 The Corporation shall pay all costs of administering the Plan.

## **18. Headings and Section References**

18.1 Headings of Articles and Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Plan. All references in this Plan to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Plan or of the Schedules in which such reference is made.

## **19. Interpretation**

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

**20. Compliance with Applicable Law**

20.1 If any provision of the Plan or the grant or exercise of any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

**21. Effective Date of Plan**

21.1 The Plan has been adopted by the Board effective June 30, 2022.

**APPENDIX "C"**  
**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**COELACANTH ENERGY INC.**

**PERFORMANCE AND RESTRICTED SHARE UNIT PLAN**

**ARTICLE 1**  
**PURPOSE**

**1.1 Purpose**

The purpose of this Performance and Restricted Share Unit Plan is to provide directors, officers, employees and consultants of Coelacanth Energy Inc. with the opportunity to acquire Share Units (as defined below) to allow them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company's shareholders.

**ARTICLE 2**  
**INTERPRETATION**

**2.1 Definitions**

For purposes of the Plan:

- (a) **"Adjustment Factor"** means the adjustment factor set out in the Award Notice for an award of Performance Share Units;
- (b) **"Award Date"** means a date on which Share Units are awarded to a Participant in accordance with Section 4.1;
- (c) **"Award Market Value"** means either (i) the closing trading price of the Shares on the TSXV for the trading day prior to the Award Date; or (ii) in the discretion of the Board, such price as may be determined by any mechanism for establishing the market value of the Shares approved by the Board and satisfactory to the TSXV;
- (d) **"Award Notice"** means a notice substantially in the form of Schedule A, in the case of Restricted Share Units, and substantially in the form of Schedule B, in the case of Performance Share Units, and containing such other terms and conditions relating to an award of Share Units as the Board may prescribe;
- (e) **"Board"** means the board of directors of the Company or its delegate pursuant to Section 3.1(b);
- (f) **"Cash"** means immediately available Canadian currency;
- (g) **"Cash Equivalent"** is defined in Section 4.13(c);
- (h) **"Cause"** means any grounds at common law for which an employer is entitled to dismiss an employee without notice or pay in lieu of notice, and includes, without limitation, the following:

- (i) the Participant's breach of a material term of his or her employment agreement or employment, as applicable;
  - (ii) the Participant's repeated and demonstrated failure to perform the Participant's material duties of his or her position in a competent manner;
  - (iii) the conviction of the Participant for a criminal offence involving fraud or dishonesty, or which otherwise adversely impacts the reputation of the Company;
  - (iv) the Participant's willful failure to act honestly and in the best interests of the Company;
  - (v) the Participant's breach of his or her fiduciary duties, as applicable; or
  - (vi) any actions or omissions on the part of the Participant constituting gross misconduct or gross negligence resulting in material harm to the Company or which otherwise adversely impacts the reputation of the Company in a material nature;
- (i) **"Change of Control"** means and shall be deemed to have occurred upon the happening of any of the following events:
- (i) the acceptance by the holders of Shares, representing in aggregate, more than fifty percent (50%) of all issued Shares of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares; or
  - (ii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired) directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, if any, which represent (assuming the full exercise of such rights to voting securities) more than fifty percent (50%) of the combined voting rights of the Company's then outstanding Shares; or
  - (iii) the entering into of any agreement by the Company to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; provided that no change of control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date; or
  - (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation winding up or re-arrangement (except where such re-arrangement is part of a bona fide

reorganization of the Company in circumstances where the business of the Company is continued and where the shareholdings remain substantially the same following the re-arrangement); or

- (v) an event where individuals who were members of the Board immediately prior to a meeting of shareholders of the Company involving a contest for or an item of business relating to the election of directors cease to constitute a majority of the Board following such election; or
- (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in Sections 2.1(i)(i), 2.1(i)(ii), 2.1(i)(iii), 2.1(i)(iv), and 2.1(i)(v); or
- (vii) a determination by the Board, acting in good faith, that a change of control has occurred for the purpose of this clause.

For purposes of this Plan, the Board may, by resolution, clarify the date on which a Change of Control shall be deemed to have occurred;

- (j) **"Change of Control Date"** means the date on which any Change of Control becomes effective;
- (k) **"Committee"** means the Corporate Governance and Compensation Committee of the Board or such other Committee of the Board as may be appointed by the Board to administer the Plan;
- (l) **"Company"** means Coelacanth Energy Inc. and its successors and assigns;
- (m) **"Consultant"** means, in relation to the Company, an individual (other than a director, officer or employee of the Company) or company that: (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution of securities of the Company; (ii) provides the services under a written contract between the Company or an affiliate of the Company and the individual or the company, as the case may be; (iii) in the reasonable opinion of the Company spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (n) **"Disabled"** and **"Disability"** mean the permanent and total incapacity of a Participant as determined by the Board for purposes of this Plan;
- (o) **"Distribution Date"** means the date determined in accordance with Sections 4.6 or 4.10, as applicable;
- (p) **"Dividend Equivalent"** means a bookkeeping entry whereby each Share Unit is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 4.5;

- (q) **"Dividend Market Value"** means the volume weighted average trading price of the Shares on the TSXV for the 5 trading days immediately following the dividend record date for the payment of any dividend made on the Shares;
- (r) **"Double Trigger Event"** has the meaning given thereto in Section 4.14(a);
- (s) **"Eligible Person"** means a Person entitled to receive Share Units in accordance with Section 3.3;
- (t) **"Exercise Notice"** mean a notice substantially in the form of Schedule C;
- (u) **"Expiry Date"** means, with respect to a Share Unit, December 15th of the third year following the year in which the services giving rise to the Share Unit grant were rendered, or such earlier expiry date as may be determined by the Board, in its sole discretion, and set out in the applicable Award Notice;
- (v) **"Fair Market Value"** means, as at any date, the volume weighted average of the prices at which the Shares traded on the TSXV (or, if the Shares are not then listed and posted for trading on the TSXV or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Committee in its sole discretion) for the five (5) trading days immediately preceding such date;
- (w) **"Good Reason"** means that one or more of the following are undertaken by the Company, its subsidiaries or any successor to the Company without the Participant's written consent: (i) the assignment to the Participant of any duties or responsibilities that results in a material diminution in the Participant's position or function as in effect immediately prior to the Change of Control Date; (ii) a reduction, without the Participant's written consent, by the Company, its subsidiaries or any successor to the Company in the Participant's annual base salary or other remuneration, as in effect on the Change of Control Date or as increased thereafter; or (iii) any failure by the Company, its subsidiaries or any successor to the Company to continue in effect (or substantially replace in the aggregate) any material benefit plan or program in which the Participant was participating immediately prior to the Change of Control Date (hereinafter referred to as **"Benefit Plans"**), or the taking of any action by the Company, its subsidiaries or any successor to the Company that would adversely affect the Participant's participation in or reduce the Participant's benefits under the Benefit Plan;
- (x) **"Insider"** has the meaning ascribed thereto in applicable securities legislation;
- (y) **"Investor Relations Activities"** means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or could reasonably be expected to promote the sale of the securities of the Company;
- (z) **"Investor Relations Providers"** includes any Consultant that performs Investor Relations Activities and any director, officer, employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (aa) **"Management Company Employee"** means an individual employed by a corporation

providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company;

- (bb) **"Participant"** means an Eligible Person who has been awarded Share Units under the Plan or to whom Share Units have been transferred in accordance with the Plan;
- (cc) **"Payment Shares"** is defined in Section 4.7;
- (dd) **"Performance Measures"** means, for any period, the performance measures to be taken into consideration in granting PSUs and determining the Adjustment Factor in respect of any PSU;
- (ee) **"Performance Share Unit" or "PSU"** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with ARTICLE 4, based on the achievement of the performance criteria set out in the applicable Award Notice;
- (ff) **"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (gg) **"Plan"** means this Performance and Restricted Share Unit Plan as amended, restated, supplemented or otherwise modified from time to time;
- (hh) **"Retirement"** means the retirement of a Participant who has greater than or equal to ten (10) years of service to the Company or its subsidiaries and is older than sixty (60) years of age or as otherwise approved by the Board;
- (ii) **"Restricted Share Unit" or "RSU"** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with ARTICLE 4;
- (jj) **"Settlement Market Value"** means the most recent closing price of the Shares on the TSXV on the last trading day prior to the Distribution Date;
- (kk) **"Share"** means a common share of the Company or, in the event of an adjustment contemplated by Section 4.12, such number or type of securities as the Board may determine;
- (ll) **"Share Unit"** means a Performance Share Unit or a Restricted Share Unit, as applicable;
- (mm) **"Stock Option Plan"** means the Company's stock option plan as approved by the Board;
- (nn) **"TSXV"** means the TSX Venture Exchange;

- (oo) "U.S." means the United States of America;
- (pp) "U.S. Code" or the "Code" means the U.S. Internal Revenue Code, as amended; and
- (qq) "U.S. Taxpayer" means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident for the purposes of the U.S. Code or a Participant for whom the award of Share Units under this Plan would otherwise be subject to U.S. taxation under the U.S. Code. A Participant shall be considered a U.S. taxpayer solely to the extent such Participant's Share Units are subject to U.S. taxation.

## **2.2 Certain Rules of Interpretation**

- (a) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.
- (b) As used herein, the terms "Article" and "Section" mean and refer to the specified Article or Section of this Plan.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, all references to money amounts are to Canadian currency.

## **ARTICLE 3 ADMINISTRATION**

### **3.1 Administration of the Plan**

- (a) This Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board shall be binding and conclusive upon the Company and on all Eligible Persons, Participants and all other Persons.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee, on such terms as it considers appropriate, all or any of the powers, duties and functions relating to the granting of Share Units and the administration of the Plan, including the power to sub-delegate, to the extent permitted by applicable law, to any specified officer of the Company all or any of the powers delegated to the Committee. Any decision made or action taken by the Committee or the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Company, the Participants and all other Persons.



### **3.2 Determination of Value if Shares Not Publicly Traded**

If the Shares are not publicly traded on the TSXV or any other stock exchange at the relevant time such that the Award Market Value, the Dividend Market Value, the Fair Market Value, and/or the Settlement Market Value cannot be determined in accordance herein, such value shall be determined by the Board acting in good faith.

### **3.3 Eligibility**

Share Units shall be granted only to persons (each an "**Eligible Person**") who the Company and Participant have confirmed are bona fide directors officers, employees, Consultants or Management Company Employees of the Company, as the case may be, and who the Board determines should receive Share Units in its sole discretion subject to applicable laws and the policies and rules of the TSXV. Notwithstanding the foregoing, Investor Relations Providers shall not be eligible to be granted Share Units and directors of the Company are not eligible to be awarded PSUs and are only eligible to be awarded RSUs under the Plan.

The Board reserves the right to restrict eligibility or otherwise limit the number of Persons eligible for participation in the Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of Share Units pursuant to the Plan.

### **3.4 Total Shares Subject to Share Units**

Unless otherwise approved by the TSXV (or such other exchanges on which the Shares may be listed from time to time) and the shareholders of the Company:

- (a) the securities that may be issued to Participants pursuant to this Plan shall consist of those authorized but unissued Shares which the Board and/or Committee has, in its discretion, reserved and approved for issuance under the Plan from time to time;
- (b) subject to Section 4.12, the aggregate number of Shares that may be issued pursuant to the Plan, when combined with the number of Shares issued pursuant to the Company's other security based compensation arrangements of the Company, shall not exceed ten percent (10%) of the issued and outstanding Shares at the time of grant;
- (c) the number of Shares reserved for issuance to any one Participant under all security based compensation arrangements including, without limitation, the Plan, in any twelve -month period, shall not exceed five percent (5%) of the issued and outstanding Shares;
- (d) the Board shall not grant Share Units under the Plan if the number of Shares issuable pursuant to outstanding Share Units, when combined with the number of Shares issuable pursuant to outstanding stock options granted under the Company's Stock Option Plan and outstanding convertible securities under any other security based compensation arrangements of the Company, would exceed ten percent (10%) of the issued and outstanding Shares at the time of the grant;
- (e) the number of Shares issuable to Insiders (as a group), at any time, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed ten percent (10%) of the issued and outstanding Shares of the Company calculated on a non-diluted basis;

- (f) the number of Shares issued to Insiders (as a group), within any twelve-month period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed ten percent (10%) of the issued and outstanding securities of the Company calculated on a non-diluted basis;
- (g) the number of Shares reserved for issuance to any Consultants, in any twelve-month period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed two percent (2%) of the issued and outstanding Shares of the Company calculated on a non-diluted basis; and
- (h) to the extent Share Units are not exercised or to the extent any Share Units are terminated for any reason or are cancelled, the Shares subject to such Share Units shall be added back to the number of Shares reserved for issuance under the Plan and such Shares will again become available for Share Unit grants under the Plan.

For purposes of the calculations in this Section 3.4 only, it shall be assumed that all issued and outstanding Share Units will be settled by the issuance of Shares from treasury, notwithstanding the Company's right, pursuant to Section 4.13, to settle Share Units by purchasing Shares on the open market or by paying the Participant the Cash Equivalent, or both.

### **3.5 Participant's Agreement to be Bound**

- (a) Participation in the Plan is entirely voluntary and is at the discretion of the Eligible Person, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Should any Eligible Person elect to participate in the Plan by electing to receive Share Units through delivery of an acknowledgement in the manner specified in Section 3.5(b) or otherwise, such acknowledgement shall be construed as acceptance by the Eligible Person, of the terms and conditions of the Plan, and all rules and procedures adopted hereunder, as amended, assigned or assumed from time to time in accordance with the terms hereof.
- (b) In order to participate in the Plan, an Eligible Person shall acknowledge each Award Notice and such other matters as deemed necessary by the Committee, in its sole discretion, including those matters specified in Schedule A or Schedule B, as applicable, by delivering their countersigned acknowledgement on the Award Notice within fifteen (15) days of the delivery of an Award Notice. If such acknowledgement is not so delivered within the time specified in this Section 3.5(b), the Company shall not credit any Share Units to the Participant's account, unless waived by the Committee, in its sole discretion.

## **ARTICLE 4 AWARD OF SHARE UNITS**

### **4.1 Award of Share Units**

Subject to the provisions of the Plan and such other terms and conditions as the Committee or the Board may prescribe, the Committee may, from time to time, grant Share Units to any Eligible Person. Upon receipt of an acknowledgement in the manner specified in Section 3.5, Share Units shall be credited to an account maintained for each Participant on the books of the Company, effective as of the Award Date for that grant. The number of Share Units (including fractional Share Units) to be credited as of the Award Date shall be determined by the Committee in its sole discretion.

## **4.2 Vesting Period**

Each Share Unit will vest on such terms as shall be specified by the Board or Committee at the time of granting an award of Share Units as reflected in the Award Notice, except that no Share Unit, or portion thereof, may vest before the date that is one year following the date it is granted or issued, or after the Expiry Date or as otherwise provided in this Plan.

## **4.3 Performance Vesting**

- (a) Prior to the Distribution Date in respect of any PSU, the Board or Committee shall assess the performance of the Company for the applicable period. The weighting of the individual measures comprising the Performance Measures shall be determined by the Board or Committee, as applicable, in its sole discretion having regard to the principal purposes of the Plan and, upon the assessment of all Performance Measures, the Board or Committee shall determine the Adjustment Factor for the applicable period in its sole discretion. The applicable Adjustment Factor may be between a minimum of zero and such maximum as determined by the Board or Committee (provided such maximum shall not exceed 2.0).
- (b) The number of PSUs which vest on a vesting date specified in an Award Notice, provided that such PSUs must vest in accordance with Section 4.2, is the number of PSUs scheduled to vest on such date multiplied by the Adjustment Factor.

## **4.4 Award Notice**

All awards of Share Units under Section 4.1 will be evidenced by an Award Notice. Such Award Notice will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board or Committee may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Notice to a Participant once the Board or Committee has approved the grant of Share Units to that particular Eligible Person.

## **4.5 Credits for Dividends**

In the event that the Company pays a normal cash dividend in accordance with its dividend policy on the Shares, a Participant's account shall be credited with a Dividend Equivalent in the form of additional Share Units as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Equivalent shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Share Units recorded in the Participant's account on the record date for the payment of such dividend; by (b) the Dividend Market Value, with fractions computed to three (3) decimal places. Any additional Share Units resulting from such Dividend Equivalent shall have the same vesting schedule, Distribution Date and other terms as the Share Units to which they relate. Notwithstanding the foregoing, if the credit of all or a portion of any Dividend Equivalent in the form of additional Share Units pursuant to this Section 4.5 would result in non-compliance with the issuance limitations in Section 3.4, the Company shall make a payment in Cash to the Participant for such amount of Dividend Equivalent. The foregoing does not obligate the Company to pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

#### 4.6 Distribution Date Election

- (a) Subject to Sections 4.6(b), 4.9, 4.10 and 4.11, a Participant who is not a U.S. Taxpayer shall have the right to elect to exercise any vested Share Units recorded in the Participant's account by delivering to the Company an Exercise Notice specifying a date for distribution of Shares or Cash Equivalent (or a combination of the two) in settlement of such Share Units ("**Distribution Date**"), such date to be set out by the Participant in the Exercise Notice; provided that such date shall not be later than the earlier of:
  - (i) the thirtieth (13th) day after the Participant ceases to be eligible to participate under the Plan; or
  - (ii) the Expiry Date.
- (b) In the event a Participant fails to deliver a timely Exercise Notice pursuant to Section 4.6(a) or specifies a Distribution Date in an Exercise Notice which is later than the Expiry Date, the Distribution Date shall be deemed to be the Expiry Date.
- (c) A Participant who is not a U.S. Taxpayer shall be entitled to elect in the Exercise Notice delivered to the Company in accordance with Section 4.6(a) hereof, for all of such Participant's Share Units to be settled in exchange for a payment by the Company of a Cash amount per Share Unit equal to the Settlement Market Value of the Payment Shares on the Distribution Date, net of applicable withholding tax, provided that such Distribution Date shall not be later than the Expiry Date. The Company has the sole discretion to consent or refuse the election of the Participant to receive Cash pursuant to this Section 4.6(c). If the Company refuses the election, the Share Units shall be satisfied in accordance with the manner described in Section 4.7.
- (d) Notwithstanding anything to the contrary in this Section, with respect to any Share Units awarded to a Participant who is a U.S. Taxpayer, the Distribution Date shall be the applicable vesting date set out in the applicable Award Notice. No Exercise Notice or election of alternative Distribution Date shall be permitted for U.S. Taxpayers.

#### 4.7 Distribution of Shares

Subject to any election received and accepted by the Company pursuant to Section 4.6(c), and subject to Section 4.13, as soon as practicable after each Distribution Date or on the Expiry Date (if the Distribution Date is the Expiry Date), the Company shall issue to the Participant or, if Section 4.11 applies, to the Participant's estate, a number of Shares equal to the number of Share Units in the Participant's account that became payable on the Distribution Date (the "**Payment Shares**"). As of the Distribution Date, the Share Units in respect of which Shares were issued or Cash was paid (in accordance with Section 4.13(c)), or both, as applicable, shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such Share Units.

#### 4.8 Resignation or Termination

Notwithstanding Sections 4.6 and 4.7, and subject to any written resolution passed by the Board or

Committee, if any Participant shall cease to hold the position or positions of director, officer, employee, Consultant or Management Company Employee of the Company or any subsidiaries (as the case may be) for any reason other than death or Disability, then all Share Units granted to the Participant under the Plan that have not yet vested within 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee, Consultant or Management Company Employee of the Company or any subsidiaries as the case may be, shall terminate without payment and shall be of no further force or effect. All grants of Share Units to U.S. Taxpayers shall be deemed to adjust the 90 day term specified herein to 74 days.

#### **4.9 Disability**

Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of director, officer, employee, Consultant or Management Company Employee of the Company or any subsidiaries (as the case may be) by reason of Disability, any vested Share Units held by such Participant under the Plan at the date such Participant ceases to hold the position or positions of director, officer, employee, Consultant or Management Company Employee of the Company or any subsidiaries as the case may be, shall be automatically settled and the Distribution Date shall be the 90th day after such date and all unvested Share Units shall terminate without payment and shall be of no further force or effect.

#### **4.10 Retirement**

- (a) Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of officer or employee of the Company or any subsidiaries (as the case may be) by reason of Retirement, any Share Units held by such Participant under the Plan at the date such Participant ceases to hold the position or positions of officer or employee of the Company or any subsidiaries (as the case may be), shall continue to vest in the manner set forth in the applicable Award Notice for such Share Units and such Share Units shall expire within a reasonable time following the date of Retirement as determined by the Board or Committee (and in any event no later than the date that is twelve (12) months following the date of Retirement), except, at the discretion of the Board, for any Share Units which are awarded to such officer or employee during the calendar year in which the officer or employee retires, all of which Share Units shall expire; and provided further that all Share Units which remain unvested on the date that is twelve (12) months from such Participant's Retirement shall automatically expire.
- (b) Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position of director of the Company or any subsidiaries (as the case may be) by reason of Retirement, any RSUs held by such Participant under the Plan at the date such Participant ceases to hold the position of director of the Company or any subsidiaries (as the case may be), shall continue to vest in the manner set forth in the applicable Award Notice for such RSUs, except, at the discretion of the Board, for any RSUs which are awarded to such director during the calendar year in which the director retires, all of which RSUs shall expire.

#### **4.11 Death of Participant Prior to Distribution**

Notwithstanding Sections 4.6 and 4.7 of the Plan, but subject to any express resolution passed by the Board

or Committee, upon the death of a Participant, any vested Share Units held by such Participant or any Share Units which shall vest within one year after the death of the Participant under the Plan shall be automatically settled and the Distribution Date shall be within one (1) year after the death of the Participant and all other unvested Share Units shall terminate without payment and shall be of no further force or effect.

#### **4.12 Adjustments to Share Units**

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to shareholders (other than the payment of dividends in respect of the Shares as contemplated by Section 4.5), the account of each Participant and the Share Units outstanding under the Plan shall be adjusted in such manner, if any, as the Board may in its discretion, subject to approval by the TSXV, deem appropriate to preserve, proportionally, the interests of Participants under the Plan.

#### **4.13 Settlement of Share Units**

Notwithstanding anything herein to the contrary, on the Distribution Date, the Board or Committee, as applicable, in its sole discretion, shall have the option of settling the Shares issuable in respect of Share Units, net of any applicable withholdings required by law, by the following methods:

- (a) settlement in Shares acquired by the Company on the TSXV;
- (b) settlement in Shares issued from the treasury of the Company;
- (c) settlement in an amount of Cash per Share Unit equal to the Settlement Market Value of the Shares on the Distribution Date (the "**Cash Equivalent**"); or
- (d) any combination of (a), (b), or (c) above.

#### **4.14 Change of Control and Termination**

- (a) Unless otherwise determined by the Board in its sole discretion, in the event:
  - (i) a Change of Control occurs; and
  - (ii) a Participant's service with the Company or any subsidiary is either:
    - (A) involuntarily terminated without Cause; or
    - (B) voluntarily terminated for Good Reason within one (1) month prior to or twelve (12) months following the Change of Control Date,

(each, a "**Double Trigger Event**"),

all unvested Share Units shall become automatically vested and the Performance Measures shall take into account, in determination of any Adjustment Factor in respect of any PSUs, the period up to and including the Change of Control.

- (b) Unless otherwise determined by the Board in its sole discretion, upon a Change of Control, all unvested RSUs held by directors shall become automatically vested.
- (c) Shares issuable in respect of Share Units shall be, and shall be deemed to be, issued to Participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with this Plan.

#### **4.15 Discretion to Permit Vesting**

Notwithstanding the provisions of Section 4.2, the Board may, in its sole discretion, at any time prior to or following the events contemplated in such Sections 4.11 and 4.14, permit the vesting of any or all Share Units held by a Participant and the issuance of the Payment Shares (or their Cash Equivalent, or any combination of the two) in respect of such Share Units in the manner and on the terms authorized by the Board, provided that the Board will not, in any case, authorize the vesting of a Share Unit pursuant to this Section beyond the Expiry Date applicable to the particular Share Unit.

#### **4.16 Black-Out Periods**

Subject to the rules and regulations of any exchange on which the Shares are listed for trading, notwithstanding any other provisions of this Plan, if the Distribution Date of any Share Unit occurs during or within two (2) business days following the end of a Black-Out Period (as defined below), the Distribution Date of such Share Unit shall be extended for a period of two (2) business days following the end of the Black-Out Period (or such longer period as permitted by the TSXV or other exchange on which the Shares are listed and approved by the Board), provided that if any such extension would cause the vesting date for a Share Unit to extend beyond the Expiry Date, the amounts to be paid on such vesting date shall be paid on the Expiry Date, notwithstanding the Black-Out Period. "Black-Out Period" means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of a Share Unit.

### **ARTICLE 5 GENERAL**

#### **5.1 Withholding Taxes**

When a Participant becomes entitled to receive an award of any Share Units or, on the settlement thereof, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Committee or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Participant of Cash payment to the Company in an amount less than or equal to the total withholding tax obligation;
- (b) where the Company has elected to issue Shares to the Participant, the withholding by the Company, from the Shares otherwise payable to the Participant such number of Shares as it determines are required to be sold by the Company, as trustee, to satisfy the total withholding tax obligation (net of selling costs, which shall be paid by the Participant). The Participant consents to such sale and grants to the Company an irrevocable power of

attorney to effect the sale of such Shares and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Shares; or

- (c) the withholding by the Company, from any Cash remuneration or payment otherwise due to the Participant such amount of Cash as is less than or equal to the amount of the total withholding tax obligation;

provided, however, that the sum of any Cash so withheld and the Fair Market Value of any Shares so withheld is sufficient to satisfy the total withholding tax obligation. Any reference in this Plan to the value of any award of Share Units, or issuance of Shares or Cash in settlement thereof, is expressly subject to this Section 5.1.

## **5.2 Amendment, Suspension, or Termination of Plan**

- (a) Subject to Sections 5.2(b) and 5.2(c) below and to the rules and policies of any stock exchange on which the Shares are listed and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, amend, suspend or terminate the Plan or awards granted hereunder for any purpose which, in the good faith opinion of the Board, may be expedient or desirable, including making such amendments to the Plan to comply with rules and policies of any stock exchange on which the Shares are listed, provided that no amendment will cause the Plan or any Share Unit to cease to comply with paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the Income Tax Act (Canada).
- (b) Notwithstanding Section 5.2(a) but subject to Section 5.2(f), the Board shall not alter or impair any rights or increase any obligations with respect to a Share Unit previously granted under the Plan without the consent of the Participant.
- (c) Notwithstanding Section 5.2(a), none of the following amendments shall be made to this Plan or awards granted hereunder without approval of the TSXV (to the extent the Company has any securities listed on such exchange) and the approval of shareholders:
  - (i) amendments to the Plan which would increase the number of securities issuable under the Plan otherwise than in accordance with the terms of this Plan;
  - (ii) amendments to the Plan which would increase the number of securities issuable to Insiders otherwise than in accordance with the terms of this Plan;
  - (iii) amendments that would extend the Distribution Date of any Share Units held by Insiders beyond the Expiry Date of the Share Units;
  - (iv) amendments that would reduce the Award Market Value of any Share Units held by Insiders otherwise than in accordance with the terms of this Plan;
  - (v) the addition of any form of financial assistance to a Participant;
  - (vi) amendments to the restriction under Section 5.7 to permit a Participant to transfer any Share Units to a new beneficial holder other than for estate settlement purposes; and



- (vii) amendments to this Section 5.2.

Such amendments shall require the approval of the holders of the Company's Shares by ordinary resolution.

- (d) If the Board terminates or suspends the Plan, no new Share Units will be credited to the account of a Participant. Previously credited Share Units whether or not vested, may, at the Board's election, be accelerated (if unvested) and/or Shares issuable in respect of such Share Unit may be distributed to Participants or may remain outstanding. In the event that a Share Unit remains outstanding following a suspension or termination of the Plan, such Share Unit shall not be entitled to Dividend Equivalents unless at the time of termination or suspension the Board determines that the entitlement to Dividend Equivalents after termination or during suspension, as applicable, should be continued.
- (e) The Board shall not require the consent of any affected Participant in connection with a termination of the Plan in which the vesting of all Share Units held by the Participant are accelerated and the Payment Shares, or the Cash Equivalent of said Payment Shares (or a combination of the two), are issued and/or paid to the Participant in respect of all such Share Units.
- (f) The Plan will terminate on the date upon which no further Share Units remain outstanding.

### **5.3 Taxes**

Participants (or their beneficiaries) shall be responsible for reporting and paying all taxes with respect to any Share Units under the Plan, whether arising as a result of the grant or vesting of Share Units or otherwise. Neither the Company nor the Board make any guarantees to any person regarding the tax treatment of a Share Unit or payments made under the Plan and none of the Company or any of its employees or representatives shall have any liability to a Participant with respect thereto. The Company will provide each Participant with (or cause each Participant to be provided with) a T4 slip or such information return as may be required by applicable law to report income, if any, arising upon the grant or vesting of rights under this Plan by a Participant for income tax purposes.

### **5.4 Compliance with Laws/U.S. Tax Matters**

The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If at any time the Board determines that the listing, registration or qualification of the Shares subject to the Share Unit upon any securities exchange or under any provincial, state, federal or other applicable law, or the consent or approval of any governmental body, securities exchange, or the holders of the Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Share Units or the issue of Shares thereunder, no such Share Unit may be awarded or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

The Share Units awarded to Participants who are U.S. Taxpayers are intended to be exempt from Section 409A of the U.S. Code and the provisions of this Plan shall be interpreted consistent with that intent.

## **5.5 Reorganization of the Company**

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

## **5.6 Assignment and Transfer**

Rights and obligations under the Plan are non-assignable and non-transferable by a Participant. Rights and obligations under the Plan may be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any company acquiring all or substantially all of the assets or business of the Company.

## **5.7 Units Non-Assignable and Non-Transferable**

Share Units are non-assignable and non-transferable. Certificates representing Share Units will not be issued by the Company.

## **5.8 Participation to be Determined by Board; No Additional Rights**

The participation of any Participant in the Plan shall be determined by resolution of the Board. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation. The Company does not assume responsibility for the personal income tax liability or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

## **5.9 No Shareholder Rights**

Under no circumstances shall Share Units be considered Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the award of Share Units. A Participant will acquire rights to Shares in respect of Share Units only upon the allotment and issuance to the Participant of certificates representing such Shares.

## **5.10 Fractions**

No fractional Share will be issued pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under this Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.

### **5.11 Unfunded and Unsecured Plan**

Unless otherwise determined by the Board, the Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

### **5.12 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company makes no representations or warranties to Participants with respect to the Plan or the Shares whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to accept all risks associated with a decline in the market price of Shares.

### **5.13 Participant Information**

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to other third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

### **5.14 Indemnification**

Every director of the Company will at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the director, otherwise than by the Company, for or in respect of any act done or omitted by the director in respect of administering this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

### **5.15 Effective Date of the Plan**

The Plan shall be effective as of April 19, 2022.

### **5.16 Governing Law**

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, without regard to principles of conflict of laws.

