



E3 LITHIUM

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR

Dated: May 31, 2024

Meeting Details

Date: July 16, 2024
Time: 10:00 am (Calgary Time)
Place: Virtually via ZOOM video conference



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares of **E3 Lithium Ltd.** (the "**Corporation**") will be held at 10:00 a.m. (Calgary Time) on Tuesday, July 16, 2024 virtually via ZOOM video-conference:

1. To receive the audited financial statements of the Corporation for the financial year ended December 31, 2023, and the auditor's report thereon;
2. To appoint MNP LLP, as the Corporation's auditor for the ensuing year, at a remuneration to be fixed by the Directors;
3. To set the number of Directors for the ensuing year at six (6);
4. To elect Directors to hold office for the ensuing year;
5. To consider and approve an ordinary resolution approving certain amendments to the Omnibus Equity Incentive Plan of the Corporation, as more particularly described in the accompanying management information circular of the Corporation (the "**Circular**");
6. To consider and approve an ordinary resolution to ratify, confirm and approve the Amended and Restated By-Law No. 1 of the Corporation, which includes the modernization of various provisions to reflect technological developments, evolving corporate governance practices and recent changes to the ABCA, all as more fully described in the Circular; and
7. To transact such other business as may properly be transacted at the Meeting or at any adjournment thereof.

The details of all matters proposed to be put before Shareholders at the Meeting are set forth in the accompanying Circular. At the Meeting, Shareholders will be asked to approve each of the foregoing items. The Corporation is not aware of any items of business to be brought before the Meeting other than those noted above and further described in the accompanying Circular.

The directors of the Corporation have fixed May 31, 2024 as the record date for the Meeting (the "**Record Date**"). Only Shareholders of record at the close of business on the Record Date are entitled to vote at the Meeting or any adjournment(s) or postponement(s) of the Meeting.

Your vote is important. Management recommends you vote your shares in advance of the Meeting to ensure your vote is properly accounted for. Only registered Shareholders and duly appointed proxyholders will be permitted access to the Meeting.

The Circular accompanying this Notice of Meeting provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of this Notice of Meeting. Also accompanying this Notice of Meeting is a proxy for registered Shareholders. You may also be provided a voting instruction form by your Intermediary (as defined below) if you are a non-registered Shareholder.

If you are a registered Shareholder, whether or not you expect to attend the Meeting or any postponement or adjournment thereof, **PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY IN THE ENCLOSED ENVELOPE OR VOTE BY PROXY USING THE INTERNET BY FOLLOWING THE INSTRUCTIONS PROVIDED IN THE ACCOMPANYING PROXY.** Please note that registered Shareholders of the Corporation may vote in person at the Meeting and any postponement(s) or any adjournment(s) of the Meeting even if you have previously returned the proxy.

To be effective, a proxy must be received by Odyssey Trust Company not later than 10:00 am (Calgary time) on July 12, 2024, or in the case of any postponement or adjournment of the Meeting, not less than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chairperson of the Meeting in his or her discretion. The Chairperson is under no obligation to accept or reject any particular late proxy.**

As set out in the notes to the Proxy, the enclosed proxy is solicited by management of the Corporation, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

If you are a non-registered Shareholder and receive these materials through your broker, institution, participant, trustee or administrator of a retirement savings plan, retirement income fund, education savings plan or other similar savings or investment plan registered under the *Income Tax Act* (Canada) or a nominee of any of the foregoing that holds your securities on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by the Intermediary. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting. Note that the deadlines set by your Intermediary for submitting your voting instruction form may be earlier than the dates described above.

Notice And Access

This year the Corporation has elected to use the notice-and-access model set out in National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (together, the "**Notice-and-Access Provisions**") for delivery of proxy materials relating to this Meeting. The Notice-and-Access Provisions allow the Corporation to reduce the volume of materials to be physically mailed to shareholders by posting this Notice of Meeting, the accompanying Circular and any additional annual meeting materials (together, the "**Proxy Materials**") online on the Corporation's website. Under the Notice-and-Access Provisions, instead of receiving paper copies of the Proxy Materials, registered Shareholders of the Corporation will receive the form of Notice and Access Notification and the form of proxy or voting instruction form relevant for the Meeting. Shareholders may also choose to receive a printed copy of the Proxy Materials by following the procedures set out below. Copies of the Proxy Materials and the Corporation's audited financial statements for the year ended December 31, 2023 (the "**Financial Statements**"), together with the auditor's report thereon and the accompanying management's discussion and analysis, are posted on the Corporation's website at www.e3lithium.ca and are filed on SEDAR+ under the Corporation's profile at www.sedarplus.ca.

Any Shareholder who wishes may request paper copies of the Proxy Materials and the Financial Statements be mailed to them, at no cost, by contacting the Corporation:

- (i) by mail, at Suite 1520, 300 - 5th Avenue SW, Calgary, AB T2P 3C4,
- (ii) by telephone, at +1 (587) 324-2775, or
- (iii) by email, at admin@e3lithium.ca.

To allow adequate time to receive and review a paper copy of the Proxy Materials and then to submit your vote by the deadline, Shareholders requesting a paper copy of the Proxy Materials as described above should ensure such request is received by the Corporation no later than July 3, 2024.

DATED at Calgary, Alberta, this 31st day of May, 2024.

By order of the Board of Directors.

E3 LITHIUM LTD.

/s/ "Chris Doornbos"

Chris Doornbos
CEO and Director



E3 LITHIUM

E3 LITHIUM LTD.
Suite 1520, 300 - 5th Avenue SW
Calgary, AB T2P 3C4

INFORMATION CIRCULAR

MANAGEMENT SOLICITATION OF PROXIES

This management information circular (this "**Circular**") is furnished in connection with the solicitation of proxies being made by management of E3 Lithium Ltd. ("**E3 Lithium**" or the "**Corporation**") for use at the Annual General and Special Meeting (the "**Meeting**") of the Corporation's shareholders (the "**Shareholders**") to be held virtually via ZOOM video-conference on Tuesday, July 16, 2024, at 10:00 am (Calgary Time). While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

In order to ensure a secure and orderly Meeting experience for all participants, the Corporation requests that Shareholders who wish to participate virtually at the Meeting contact the Corporation by July 12, 2024 at admin@e3lithium.ca to be included in the video conference for the Meeting. The Corporation will arrange for video conference participation for all Shareholders who have requested it by July 12, 2024. However, the Corporation strongly recommends that Shareholders vote by proxy or by a request for voting instructions in advance to ease the voting tabulation at the Meeting by Odyssey Trust Company.

In this Circular, references to the "**Corporation**", "**we**" and "**our**" refer to E3 Lithium Ltd. and "**Common Shares**" means common shares in the capital of the Corporation. "**Beneficial Shareholders**" means Shareholders who do not hold Common Shares in their own name and "**intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

SOLICITATION OF PROXIES

The enclosed instrument of proxy (the "**Proxy**") is solicited by the management of the Corporation (the "**Management**"). The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by officers, directors and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the Proxy are representatives of the Corporation.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy as proxyholders. To exercise this right, a Shareholder must insert the name of the Shareholder's nominee in the blank space provided in the Proxy or complete another suitable form of proxy permitted by law, and in either case send or deliver the completed proxy to Odyssey Trust Company by mail or personal delivery to Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, ON, M5E 1J8, e-mail to proxy@odysseytrust.com, by fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.), or by internet at <https://vote.odysseytrust.com/> and following the online voting instructions given to you.

Manner of Voting

A Shareholder whose name appear on the records of the Corporation on the Record Date (as defined below) as a registered holder of Common Shares (a "**Registered Shareholder**") and who elects to complete the enclosed Proxy may indicate the manner in which the persons named in the Proxy (the "**Proxyholders**") are to vote with respect to any matter. The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder given in the Proxy (provided such directions are certain) on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the Common Shares will be voted or withheld from voting accordingly. On any poll, the Proxyholders will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction, if any, given in the Proxy, provided such directions are certain.

Where no choice has been specified by a Shareholder, and the Management Proxyholders have been appointed, such Common Shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

If a registered Shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank.

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.

Revocation of Proxy

A Registered Shareholder who has given a Proxy may revoke it at any time before it is exercised at the Meeting or any adjournment or postponement thereof. If a Registered Shareholder who has given a Proxy attends the Meeting in person at which such Proxy is to be voted, such person may revoke the Proxy and vote in person. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Registered Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its common seal or by a duly authorized officer, and deposited with: (i) the Corporation's registrar and transfer agent, Odyssey Trust Company ("**Odyssey**"), Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, ON, M5E 1J8, by mail at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, at which the Proxy is to be used; (ii) the Corporation's registered office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of it, at which the Proxy is to be used, (iii) the Chair of the Meeting on the day of the Meeting or any adjournment or postponement of it; or in any other manner permitted by law. Upon due deposit of the written revocation, the Proxy is revoked. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

If you are a Beneficial Shareholder, please contact your intermediary for instructions on how to revoke your voting instructions.

Voting Thresholds Required for Approval

Voting at the Meeting will be by a show of hands or by a verbal poll of those present by telephone or other communication facilities, unless a ballot is requested or required by the Chair, a Shareholder or a Proxyholder entitled to vote at the Meeting. Each Shareholder and Proxyholder is entitled to one vote for each Common Share held or represented, respectively.

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders of the Corporation who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion. An Ordinary Resolution is required to pass the resolutions for the matters scheduled to be acted upon at the Meeting.

ADVICE TO REGISTERED SHAREHOLDERS

Shareholders who are Registered Shareholders on the Record Date may choose to vote by proxy whether or not they are able to attend the Meeting in person. If your name appears on your Common Share certificate, you are a Registered Shareholder. Registered Shareholders electing to submit a proxy may do so as follows:

- (i) by e-mail to proxy@odysseytrust.com;
- (ii) by mail or personal delivery to Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, O.N. M5E 1J8;
- (iii) by fax to Odyssey Trust Company, to the attention of the Proxy Department at 1-800-517-4553 (toll free within Canada and the U.S.); or
- (iv) by internet <https://vote.odysseytrust.com/> and following the online voting instructions given to you,

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof at which the proxy is to be used. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, under its common seal or by a duly authorized officer.

ADVICE TO BENEFICIAL SHAREHOLDERS

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

Beneficial Shareholders should note that only Proxies deposited by Registered Shareholders (or as set out in the following disclosure) can be recognized and acted upon at the Meeting.

If Common Shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such Common Shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The Common Shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary's clients. Therefore, Beneficial Shareholders should

ensure that instructions respecting the voting of their shares are communicated to the appropriate person. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

Generally, Beneficial Shareholders who have not waived the right to receive proxy-related materials will be given a voting instruction form, which must be completed and signed by the Beneficial Shareholder in accordance with the directions in the voting instruction form. Beneficial Shareholders should follow the instructions of their intermediary carefully in order to ensure that their Common Shares are voted at the Meeting. The proxy supplied by your intermediary will be similar to the Proxy provided to Registered Shareholders by the Corporation; however, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf.

Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge mails a voting instruction form in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Shareholder) other than any of the persons designated in the voting instruction form, to represent your Common Shares at the Meeting, and that person may be you.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their intermediary, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a Proxyholder. In general, to exercise this right, insert your name (or, if you want to nominate someone else, the name of the desired representative) in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. 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 and the appointment of any Beneficial Shareholder's representative.

If you receive a voting instruction form from Broadridge, the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners).

Non-Objecting Beneficial Owners

Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Corporation will not be sending proxy-related materials directly to its NOBOs.

Objecting Beneficial Owners

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting. Management of the Corporation does not intend to pay for intermediaries to forward the proxy-related materials, including this Circular, and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to OBOs under NI 54-101. As a result, OBOs will not

receive the proxy related materials, including this Circular, unless the OBOs intermediary assumes the cost of delivery.

NOTICE-AND-ACCESS

The Corporation has elected to use the notice-and-access model set out in National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (together, the “**Notice-and-Access Provisions**”) for delivery of proxy materials relating to this Meeting. The Notice-and-Access Provisions allow the Corporation to reduce the volume of materials to be physically mailed to Shareholders by posting this Circular and any additional annual meeting materials (together, the “**Proxy Materials**”) online on the Corporation’s website.

Under the Notice-and-Access Provisions, instead of receiving paper copies of the Notice of Meeting and this Circular, registered Shareholders of the Corporation will receive the form of Notice and Access Notification (the “**Notification**”) and the form of proxy (the “**Proxy**”) relevant for the Meeting. In the case of the Corporation’s non-registered Beneficial Shareholders, they will receive the Notification and a voting instruction form (the “**VIF**”). The Proxy/VIF enables Shareholders to vote by proxy. Before voting, Shareholders are reminded to review this Circular in its entirety. Shareholders may also choose to receive a printed copy of this Circular by following the procedures set out below. Copies of the Proxy Materials and the Corporation’s audited financial statements for the year ended December 31, 2023 (the “**Financial Statements**”), together with the auditor’s report thereon and the accompanying management’s discussion and analysis, are posted on the Corporation’s website at www.e3lithium.ca and are filed on SEDAR+ under the Corporation’s profile at www.sedarplus.ca.

Any Shareholder who wishes may request a paper copy of this Circular, the Proxy and Financial Statements be mailed to them, at no cost by contacting the Corporation:

- (i) by mail, at Suite 1520, 300 - 5th Avenue SW, Calgary, AB T2P 3C4,
- (ii) by telephone, at +1 (587) 324-2775, or
- (iii) by email, at admin@e3lithium.ca.

To allow adequate time for a Shareholder to receive and review a paper copy of this Circular and then to submit their vote by the deadline, a Shareholder requesting a paper copy of this Circular as described above, should ensure such request is received by the Corporation no later than July 3, 2024. Under the Notice-and-Access Provisions, Proxy Materials must be available for viewing from the date of posting and for one year following the Meeting. Shareholders may request a paper copy of this Circular from the Corporation at any time during this period. The Corporation will not use a procedure known as “stratification” under the Notice-and-Access Provisions. Stratification occurs when the Corporation, while using Notice-and-Access Provisions, also provides a paper copy of this Circular to some of its Shareholders with the notice package. In relation to the Meeting, all Shareholders will receive only the notice package, which must be mailed to them pursuant to Notice-and-Access Provisions, and which will not include a paper copy of this Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at May 31, 2024, the Corporation has 75,269,397 common shares (“**Common Shares**”) issued and outstanding as fully paid and non-assessable Common Shares without par value, with each Common Share carrying the right to one vote. The Corporation has no other class of voting securities and does not have any class of restricted securities.

Any Shareholder of record at the close of business on May 31, 2024 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such Shareholder’s Common Shares voted at the

Meeting or any adjournment thereof.

Under the Corporation's by-laws, the quorum for the transaction of business at any meeting of Shareholders shall be at least two persons present in person, each being a Shareholder entitled to vote at such meeting or a duly appointed proxy or representative for an absent Shareholder, and representing in the aggregate not less than five percent (5%) of the outstanding Common Shares.

Principal Holders of Voting Securities

To the best of the knowledge of the directors and senior officers of the Corporation, as of the date of this Circular, no person or corporation beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

ELECTION OF DIRECTORS

Management of the Corporation is seeking shareholder approval of an ordinary resolution fixing the number of directors of the Corporation at six (6) for the ensuing year.

The term of office for each of the present directors expires at the Meeting. **The persons named below will be presented for election at the Meeting as Management's nominees, other than Mike O'Hara, who will not be seeking re-election at the Meeting.** Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles or by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta).

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he or she is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which he or she has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of Common Shares which each nominee beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.

Each of the nominees are currently directors of the Corporation, other than Tina Craft, who is a Management nominee for election as a Director. With over 30 years of chemical industry experience, Ms. Craft has held various leadership roles during her 27-year tenure at Albemarle Corporation. As Chief Commercial Officer for the Lithium division, Chief Commercial Officer and Global Vice-President of Sales for the Bromine division, and most recently Chief Commercial Officer of Catalyst at Ketjen, a wholly owned subsidiary of Albemarle, Ms. Craft has spearheaded global growth strategies for emerging and transitional businesses.

| Name ⁽¹⁾⁽²⁾ | Principal Occupation ⁽²⁾ | Director Since | Number and Percentage of Common Shares ⁽²⁾ |
|---|--|----------------|---|
| Christopher Doornbos Alberta, Canada President, Chief Executive Officer and Director | Professional Geologist and President and Chief Executive Officer of the Company and Revere Development Corp. Former Vice President of Exploration of MinQuest Ltd. | May 30, 2017 | 1,382,130 1.8% |

| Name⁽¹⁾⁽²⁾ | Principal Occupation⁽²⁾ | Director Since | Number and Percentage of Common Shares⁽²⁾ |
|---|--|-----------------------|---|
| John Pantazopoulos⁽³⁾⁽⁵⁾ Alberta, Canada Chair and Director | CEO of Lucky Strike Energy Ltd. Former Chief Financial Officer and Corporate Secretary of the Company. Former CEO and CFO of Next Hydrogen Corporation. Former Vice President ATB Financial. Former Senior Vice President and CFO of Tangle Creek Energy Ltd. | Nov 5, 2020 | 268,700 0.4% |
| Kevin Stashin⁽³⁾⁽⁴⁾ Alberta, Canada Director | Former President and CEO of NAL Resources Management Limited. Former VP Exploitation and VP Operations of Devon Canada. Chair of the Board of the Petroleum Technology Alliance Canada. | Feb 17, 2021 | 40,000 0.1% |
| Alexandra Cattelan⁽⁴⁾⁽⁵⁾ Chicago, United States Director | Chief Operating Officer at Fermata Energy. Former Chief Technology Officer at Brunswick Corporation and VP Engineering at Polaris Inc. Board Member at BruanAbility. | Oct 24, 2023 | 7,500 0.1% |
| Sonya Savage⁽⁴⁾⁽⁵⁾ Alberta, Canada Director | Senior Counsel at Borden Ladner Gervais LLP. Former Minister of Energy, Minister of Justice and Solicitor General and Minister of Environment and Protected Areas for the Province of Alberta. Board Member at Reconciliation Energy Transition Inc. and Senior Advisor at Navigator Ltd. | March 5, 2024 | Nil 0.0% |
| Tina Craft Houston, Texas Proposed Director | CCO at Ketjen Corporation, CCO at Albemarle Corporation, VP Commercial Operations Albemarle Corporation, VP Global Sales at Albemarle Corporation, Global Business Director at Albemarle Corporation | - | Nil 0.0% |

Notes:

- (1) For the purposes of disclosing position(s) held in the Corporation, "Corporation" includes the Corporation and any parent or subsidiary thereof.
- (2) The information as to province and country of residence, principal occupation and number of Common Shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the Management and has been furnished by the respective nominees. Percentages based on 75,269,397 Common Shares outstanding as at May 31, 2024.
- (3) Member of the Corporation's Audit Committee.
- (4) Member of the Corporation's Governance Committee.
- (5) Member of the Corporation's Compensation Committee.

Mike O'Hara is a director of the Corporation as at the date of this Circular and will be retiring from the Board of Directors, as such Mr. O'Hara will not be seeking re-election at the Meeting. The Board of Directors would like to thank Mr. O'Hara for his contributions and guidance since joining the Board of Directors in 2017.

The following table sets out certain information concerning Mr. O'Hara, including the province or state and country in which he is ordinarily resident, the positions and offices which he presently holds with the Corporation, the period of time for which he has been a director of the Corporation, his principal occupations or employment during the past five years and the number of Common Shares which Mr. O'Hara beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular.

| Name ⁽¹⁾⁽²⁾ | Principal Occupation ⁽²⁾ | Director Since | Number and Percentage of Common Shares ⁽²⁾ |
|--|---|---------------------|---|
| <p>Mike O'Hara⁽³⁾ Alberta, Canada</p> <p>Director</p> | <p>Registered Professional engineer and an oil & gas executive. President and Director of Grafton Ventures Energy. Former Founder, Director & President of Bernum Petroleum Ltd., Xergy Processing Inc. and Calahoo Petroleum Ltd. (TSE listed company)</p> | <p>May 30, 2017</p> | <p>345,000 0.5%</p> |

Notes:

- (1) For the purposes of disclosing position(s) held in the Corporation and any parent or subsidiary thereof.
- (2) The information as to province and country of residence, principal occupation and number of Common Shares beneficially owned by Mr. O'Hara (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the Management and has been furnished by Mr. O'Hara. Percentages based on 75,269,397 Common Shares outstanding as at May 31, 2024.
- (3) Member of the Corporation's Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

To the best of Management's knowledge, no proposed director:

- (a) is at the date of this Circular, or has been within the last 10 years, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any corporation (including the Corporation) that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such corporation; or
- (c) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any corporation (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
- (d) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

- (e) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (f) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

DIRECTOR AND EXECUTIVE COMPENSATION

The Corporation is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

For the purpose of this compensation discussion and analysis, a "CEO" or "CFO" or "CDO" means each individual who served as Chief Executive Officer or Chief Financial Officer or Chief Development Officer, respectively, of the Corporation or acted in a similar capacity during the most recently completed financial year. A "Named Executive Officer" or "NEO" means each CEO, each CFO, the Corporation's most highly compensated executive officer, other than the CEO and CFO, who was serving as an executive officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

For the year ended December 31, 2023, the NEOs of the Corporation were: Christopher Doornbos (President and Chief Executive Officer), Raymond Chow (Chief Financial Officer and Corporate Secretary) and Kevin Carroll (Chief Development Officer).

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding stock options and other compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for each of the Corporation's two most recently completed years.

| Name and Position | Year ⁽¹⁾ | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
|--|---------------------|---|------------|--------------------------------|--------------------------------------|-------------------------|
| Christopher Doornbos ⁽²⁾ President, CEO and Director | 2023 | 238,000 | 40,000 | - | - | 278,000 |
| | 2022 | 185,385 | - | - | - | 185,385 |
| Raymond Chow ⁽³⁾ CFO and Corporate Secretary | 2023 | 202,062 | - | - | - | 202,062 |
| | 2022 | 169,717 | - | - | - | 169,717 |
| Kevin Carroll ⁽⁴⁾ Chief Development Officer (CDO) | 2023 | 149,615 | - | - | - | 149,615 |
| | 2022 | - | - | - | - | - |
| John Pantazopoulos ⁽⁵⁾ Chair and Director | 2023 | - | - | 20,625 | - | 20,625 |
| | 2022 | - | - | 12,500 | - | 12,500 |
| Peeyush Varshney ⁽⁶⁾ | 2023 | - | - | 15,000 | - | 15,000 |

| Name and Position | Year ⁽¹⁾ | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
|--|---------------------|---|------------|--------------------------------|--------------------------------------|-------------------------|
| Director | 2022 | - | - | 12,500 | - | 12,500 |
| Mike O'Hara ⁽⁷⁾ Director | 2023 | - | - | 20,625 | - | 20,625 |
| | 2022 | - | - | 12,500 | - | 12,500 |
| Kevin Stashin ⁽⁸⁾ Director | 2023 | - | - | 20,625 | - | 20,625 |
| | 2022 | - | - | 12,500 | - | 12,500 |
| Alex Cattelan ⁽⁹⁾ Director | 2023 | - | - | 3,750 | - | 3,750 |
| | 2022 | - | - | - | - | - |

Notes:

- (1) Financial year ended December 31. The value of perquisites received, if any, by the individuals in the table above was less than \$15,000 (if the individual's total salary for the financial year was \$150,000 or less) or 10% of the individual's salary for the financial year (if the individual's total salary for the financial year was greater than \$150,000).
- (2) Chris Doornbos was appointed President, Chief Executive Officer and Director on May 30, 2017. Mr. Doornbos did not receive any compensation for his role as a Director in either of the two most recently completed financial years.
- (3) Raymond Chow was appointed Chief Financial Officer on July 1, 2021.
- (4) Kevin Carroll was appointed Chief Development Officer on April 17, 2023.
- (5) John Pantazopoulos was appointed as a Director on November 5, 2020 and as Chair on January 4, 2022.
- (6) Peeyush Varshney was appointed as a Director on May 18, 2017 and resigned on October 23, 2024.
- (7) Mike O'Hara was appointed as a Director on May 30, 2017. Mr. O'Hara will not be seeking re-election at the Meeting.
- (8) Kevin Stashin was appointed as a Director on February 17, 2021.
- (9) Alex Cattelan was appointed as a Director on October 24, 2023.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to Named Executive Officers and any director who is not a Named Executive Officer in the most recently completed financial year ended December 31, 2023 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries.

| Name and Position(s) | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities and Percentage of Class ⁽¹⁾ | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant (\$) | Closing Price of Security or Underlying Security at Year End (\$) | Expiry Date |
|--|-------------------------------|---|------------------------|--|--|---|-------------|
| Christopher Doornbos ⁽²⁾ President, CEO and Director | Option ⁽¹¹⁾ | 350,000 (7.27%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |
| Raymond Chow ⁽³⁾ CFO and Corporate Secretary | Option ⁽¹¹⁾ | 60,000 (1.25%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |

| Name and Position(s) | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities and Percentage of Class ⁽¹⁾ | Date of Issue or Grant | Issue, Conversion or Exercise Price (\$) | Closing Price of Security or Underlying Security on Date of Grant (\$) | Closing Price of Security or Underlying Security at Year End (\$) | Expiry Date |
|---|-------------------------------|---|------------------------|--|--|---|-------------|
| Kevin Carroll ⁽⁴⁾ CDO | Option ⁽¹¹⁾ | 225,000 (4.67%) | 04/10/2023 | 2.59 | 2.59 | 2.21 | 04/10/2028 |
| | | 50,000 (1.04%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |
| John Pantazopoulos ⁽⁵⁾ Chair and Director | Option ⁽¹¹⁾ | 50,000 (1.04%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |
| Peeyush Varshney ⁽⁶⁾ Director | Option ⁽¹¹⁾ | 50,000 (1.04%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |
| Mike O'Hara ⁽⁷⁾ Director | Option ⁽¹¹⁾ | 50,000 (1.04%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |
| Kevin Stashin ⁽⁸⁾ Director | Option ⁽¹¹⁾ | 50,000 (1.04%) | 06/28/2023 | 2.18 | 2.18 | 2.21 | 06/28/2028 |
| Alex Cattelan ⁽⁹⁾ Director | Option ⁽¹²⁾ | 300,000 (6.23%) | 10/24/2023 | 2.75 | 2.75 | 2.21 | 10/24/2027 |

Notes:

- (1) Percentages based on 4,816,250 Options outstanding as at December 31, 2023.
- (2) Chris Doornbos was appointed President, Chief Executive Officer and Director on May 30, 2017.
- (3) Raymond Chow was appointed Chief Financial Officer on July 1, 2021.
- (4) Kevin Carroll was appointed Chief Development Officer on April 17, 2023.
- (5) John Pantazopoulos was appointed as a Director on November 5, 2020 and as Chair on January 4, 2022.
- (6) Peeyush Varshney was appointed as a Director on May 18, 2017.
- (7) Mike O'Hara was appointed as a Director since May 30, 2017. Mr. O'Hara will not be seeking re-election at the Meeting.
- (8) Kevin Stashin was appointed as a Director on February 17, 2021.
- (9) Alex Cattelan was appointed as a Director on October 24, 2023.
- (10) Options vest in four equal tranches, with 25% vesting on first anniversary of the date of grant and an additional 25% vesting each year thereafter. Each Option is exercisable upon vesting to acquire one Common Share.
- (11) Options vest in two equal tranches, with 50% vesting in the first six months of the grant date and an additional 50% vesting on first anniversary date of grant. Each Option is exercisable upon vesting to acquire on Common Share.

Exercise of Compensation Securities by Directors and NEOs

The following table discloses all compensation securities exercised by Named Executive Officers and any director who is not a Named Executive Officer in the most recently completed financial year ended December 31, 2023.

| Exercise of Compensation Securities by Directors and NEOs | | | | | | | |
|--|-------------------------------|--|----------------------------------|-----------------------|---|--|------------------------------|
| Name and Position(s) | Type of Compensation Security | Number of Compensation Securities, Number of Underlying Securities Exercised | Exercise Price Per Security (\$) | Date of Exercise (\$) | Closing Price Per Security on Date of Exercise (\$) | Difference Between Exercise Price and Closing Price on Date of Exercise (\$) | Total Value on Exercise Date |
| Christopher Doornbos ⁽¹⁾ President, CEO and Director | Option | 300,000 | 0.40 | 04/10/2023 | 2.59 | 2.19 | 657,000 |
| | | 100,000 | 0.70 | 11/09/2023 | 2.83 | 2.13 | 212,967 |
| Raymond Chow ⁽²⁾ CFO and Corporate Secretary | - | - | - | - | - | - | - |
| Kevin Carroll ⁽³⁾ CDO | - | - | - | - | - | - | - |
| John Pantazopoulos ⁽⁴⁾ Chair and Director | Option | 200,000 | 0.70 | 07/13/2023 | 2.57 | 1.87 | 374,000 |
| | | 50,000 | 1.38 | 10/06/2023 | 3.17 | 1.79 | 89,500 |
| Peeyush Varshney ⁽⁵⁾ Director | Option | 100,000 | 0.40 | 04/10/2023 | 2.59 | 2.19 | 219,000 |
| | | 100,000 | 0.70 | 08/02/2023 | 2.61 | 1.91 | 191,000 |
| Mike O'Hara ⁽⁶⁾ Director | Option | 100,000 | 0.40 | 04/10/2023 | 2.59 | 2.19 | 219,000 |
| | | 100,000 | 0.70 | 11/03/2023 | 2.71 | 2.01 | 201,000 |
| Kevin Stashin ⁽⁷⁾ Director | - | - | - | - | - | - | - |
| Alex Cattelani ⁽⁸⁾ Director | - | - | - | - | - | - | - |

Notes:

- (1) Chris Doornbos was appointed President, Chief Executive Officer and Director on May 30, 2017.
- (2) Raymond Chow was appointed Chief Financial Officer on July 1, 2021.
- (3) Kevin Carroll was appointed Chief Development Officer on April 17, 2023.
- (4) John Pantazopoulos was appointed as a Director on November 5, 2020 and as Chair on January 4, 2022.
- (5) Peeyush Varshney was appointed as a Director on May 18, 2017.
- (6) Mike O'Hara was appointed as a Director since May 30, 2017. Mr. O'Hara will not be seeking re-election at the Meeting.
- (7) Kevin Stashin was appointed as a Director on February 17, 2021.
- (8) Alex Cattelani was appointed as a Director on October 24, 2023.

For information about the material terms of the Corporation's Omnibus Plan (as defined below), please see "Particulars of Matters to be Acted Upon – Amendments to Omnibus Equity Incentive Plan".

Employment, Consulting and Management Agreements

The Corporation paid compensation to Christopher Doornbos, the Corporation's Chief Executive Officer, President and a Director, pursuant to an executive employment agreement (the "Doornbos Agreement"). Effective February 1, 2023, Mr. Doornbos' base salary increased to \$210,000, and subsequently on June 1, 2023, Mr. Doornbos' base salary increased to \$260,000. Mr. Doornbos may terminate the Doornbos Agreement by providing three months' notice to the Corporation. The Corporation may terminate Mr. Doornbos' employment for just cause at any time, or without cause by providing six months written notice, payment in lieu, or a combination of the two. The Doornbos Agreement includes change of control

provisions whereby if there is a change of control of the Corporation, Mr. Doornbos will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of his annual base salary plus the average of annual bonuses or other cash incentive payments paid by the Corporation for the two immediately preceding years.

The Corporation paid compensation to Raymond Chow, the Corporation's Chief Financial Officer, pursuant to an executive employment agreement (the "**Chow Agreement**"). Effective February 1, 2023, Mr. Chow's base salary increased to \$187,000, and subsequently on July 1, 2023, Mr. Chow's base salary increased to \$220,000. Mr. Chow may terminate the Chow Agreement by providing two months' notice to the Corporation. The Corporation may terminate Mr. Chow's employment for just cause at any time, or without cause providing the minimum amount of notice that is required under the Employment Standards Code, payment in lieu, or a combination of the two. If the Employee is terminated without cause then in addition to the notice or pay in lieu entitlements set out therein, the Employee will be eligible to earn a separation bonus equal to one (1) month of Base Salary per completed year of service, up to a maximum of eight (8) months of Base Salary (less required statutory deductions), provided that the Employee does not, in the reasonable opinion of the Company, breach the Non-Disparagement provision during the twelve (12) month period immediately following the Employee's termination of employment (the "Separation Bonus"). If the Company determines that the Employee has earned the Separation Bonus, the Separation Bonus will become payable within the thirteenth (13th) month following the Employee's termination of employment. The Employee will be eligible to earn the Separation Bonus whether or not the Employee's employment is terminated without cause upon a Change of Control, as hereinafter defined. The Chow Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Mr. Chow will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of his annual base salary.

The Corporation paid compensation to Kevin Carroll, the Corporation's Chief Development Officer, pursuant to an executive employment agreement (the "**Carroll Agreement**"). Mr. Carroll joined the Company on April 17, 2023 at a base salary of \$220,000. Subsequently, on July 1, 2023, Mr. Carroll's base salary increased to \$240,000. Mr. Carroll may terminate the Carroll Agreement by providing two months' notice to the Corporation. The Corporation may terminate Mr. Carroll's employment for just cause at any time, or without cause providing the minimum amount of notice that is required under the Employment Standards Code, payment in lieu, or a combination of the two. If the Employee is terminated without cause then in addition to the notice or pay in lieu entitlements set out therein, the Employee will be eligible to earn a separation bonus equal to one (1) month of Base Salary per completed year of service, up to a maximum of six (6) months of Base Salary (less required statutory deductions), provided that the Employee does not, in the reasonable opinion of the Company, breach the Non-Competition, Non-Solicitation and Non-Disparagement provisions during the twelve (12) month period immediately following the Employee's termination of employment (the "Separation Bonus"). If the Company determines that the Employee has earned the Separation Bonus, the Separation Bonus will become payable within the thirteenth (13th) month following the Employee's termination of employment. The Employee will be eligible to earn the Separation Bonus whether or not the Employee's employment is terminated without cause upon a Change of Control, as hereinafter defined. The Chow Agreement includes change of control provisions whereby if there is a change of control of the Corporation, Mr. Chow will be entitled to elect to terminate his employment with the Corporation and received a lump sum termination payment in the amount of his annual base salary.

Oversight and Description of Director and Officer Compensation

Director Compensation

The Board determines director compensation from time to time. Directors are compensated \$20,000 per annum as members of the board and an additional \$2,500 per annum as a chair of a committee. The Corporation has previously, from time to time, granted certain of its directors options to purchase Common Shares ("**Options**") and restricted share units ("**RSUs**") pursuant to the terms of the Omnibus Plan and in accordance with the policies of the TSX Venture Exchange (the "**Exchange**" or the "**TSXV**"). At the Meeting, the Corporation is asking Shareholders to approve certain amendments to the Omnibus Plan, pursuant to

which the Corporation may from time to time grant Options, RSUs, PSUs and DSUs to eligible participants. See "*Particulars of Matters to be Acted Upon – Amendments to Omnibus Equity Incentive Plan*".

Named Executive Officer Compensation

The Board as a whole determines executive compensation from time to time as defined by the Corporation's compensation policy. The main objectives the Corporation hopes to achieve through its compensation are to attract and retain executives critical to the Corporation's success, who will be key in helping the Corporation achieve its corporate objectives and increase shareholder value. The Corporation looks at industry standards when compensating its executive officers.

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

The following table provides information as of the date of this Circular regarding the number of Common Shares to be issued pursuant to the Corporation's equity incentive plans. Equity incentive awards have been determined by the Corporation's directors and are only granted in compliance with applicable laws, the terms of the equity incentive plans and regulatory policy. The policies of the Exchange limit the granting of equity incentive awards to employees, officers, directors and consultants of the Corporation and provide limits on the length of term, number, exercise price and other material terms of such awards. The Exchange also requires annual Shareholder approval of "rolling" equity incentive plans, which includes the Corporation's Omnibus Plan.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2023.

| Plan Category | Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ (a) | Weighted-average exercise price of outstanding options (b) | Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽²⁾ (c) |
|--|--|---|--|
| Equity compensation plans approved by security holders | 4,816,250 | \$2.50 | 2,690,690 |
| Equity compensation plans not approved by security holders | – | – | – |
| Total | 4,816,250 | \$2.50 | 2,690,690 |

Notes:

- (1) Assuming outstanding Options are fully vested.
- (2) 75,069,397 issued and outstanding Common Shares as of December 31, 2023.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is indebted to the Corporation, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or Corporation that is itself an informed person or subsidiary of the Corporation; (c) any person or Corporation who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Corporation as underwriter in the course of a distribution; and (d) the Corporation itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

AUDIT COMMITTEE

Composition of Audit Committee

As at the date of this Circular, the Audit Committee is composed of Mike O'Hara (Chair), John Pantazopoulos, and Kevin Stashin. John Pantazopoulos is not independent by virtue of the fact that he is the Corporation's Chairperson. Kevin Stashin and Mike O'Hara are "independent" because they are not executive officers or former employees of the Corporation. All three members are "financially literate" within the meaning of sections 1.4, 1.5 and 1.6 of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). The text of the Audit Committee's Charter is attached as Appendix "A" to this Circular. Mr. O'Hara will not be seeking re-election at the Meeting and, as such, the Board will select an independent director to fill his position on the Audit Committee following the Meeting.

The Corporation is relying on the exemption provided by Section 6.1 of NI 52-110 by virtue of the fact that it is a venture issuer. Section 6.1 exempts the Corporation from the requirements of Parts 3 (*Composition of the Audit Committee*) and 6 (*Reporting Obligations*) of NI 52-110.

Relevant Education and Experience

Mike O'Hara is an oil & gas executive and registered professional engineer with 36 years' experience in founding, developing and managing profitable, growth-oriented oil and gas companies. He has an understanding of the accounting principles used by the Corporation to prepare its financial statements.

John Pantazopoulos is a finance professional with over 20 years of energy and banking experience. John is CEO of an E&P producer and was recently Vice President with a large Alberta based financial institution and prior thereto, John held senior positions with Alberta based junior and intermediate E&P producers. John is a CFA Charter holder and holds an ICD.D designation.

Kevin Stashin is an oil and gas executive with over 40 years of industry experience with both junior and major companies, including Devon Canada Corporation, Anderson Exploration, and Petro-Canada. His expertise includes over 20 years as an executive in various business, technical and management roles including developing strategic direction, organizational effectiveness, reservoir development, new ventures, production, operations, and business development. Kevin is currently a member of APEGA, APEGS, and the Society of Petroleum Engineers.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year, has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) or Part 8 (*Exemptions*) of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a Corporation to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Article 2 – Pre-Approval of Non-Audit Services" of the Audit Committee Charter as set out in Appendix "A" to this Circular.

Audit Fees, Audit-Related Fees, Tax Fees and all other Fees

In the following table, "Audit Fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit Related Fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax Fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor in each of the last two financial years, by category, are as follows:

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|-----------------------|------------|--------------------|----------|----------------|
| December 31, 2023 | \$59,500 | \$103,000 | Nil | \$11,375 |
| December 31, 2022 | \$67,410 | \$8,420 | Nil | \$48,030 |

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since the Corporation is a venture issuer, it relies on the exemption contained in section 6 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires the Corporation to disclose its corporate governance practices on an annual basis. The Corporation's approach to corporate governance is set forth below.

Board of Directors

The Board has responsibility for the stewardship of the Corporation including responsibility for strategic planning, identification of the principal risks of the Corporation's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of the Corporation's internal control and management information systems.

The Board sets long term goals and objectives for the Corporation and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of the Corporation to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to the Corporation and its business. The Board is responsible for protecting shareholders' interests and ensuring that the incentives of the Shareholders and of Management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in the Corporation's business including financial risks, through periodic reports from Management of such risks, and assesses the systems established to manage those risks. Directly and

through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management is authorized to act without board approval, on all ordinary course matters relating to the Corporation's business.

The Board also monitors the Corporation's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Corporation.

Applying the definition set out in NI 52-110, Christopher Doornbos is not independent by virtue of the fact that he is the Corporation's President and CEO and John Pantazopoulos is not independent by virtue of the fact that he is the Corporation's Chairperson. Kevin Stashin, Alexandra Cattelan, Sonya Savage, and Tina Craft are considered to be independent.

In addition to their positions on the Board, the following directors or proposed directors for nomination also serve as directors of the following reporting issuers or reporting issuer equivalent(s):

| Name of Director | Reporting Issuers or Equivalents |
|--------------------|--|
| John Pantazopoulos | Transition Opportunities Corp. (TSXV: TOP.P) |

Orientation and Continuing Education

Orientation and education of new members of the Board is conducted informally by Management and members of the Board. The orientation provides background information on the Corporation's history, performance and strategic plans.

Ethical Business Conduct

Directors, officers and employees are required as a function of their directorship, office or employment to structure their activities and interests to avoid conflicts of interest and potential conflicts of interest and refrain from making personal profits from their positions. The Board does not consider it necessary at this time to have a written policy regarding ethical conduct.

Nomination of Directors

The Board is responsible for reviewing the composition of the Board on a periodic basis. The Board analyses the needs of the Board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs.

Compensation Committee

The Board has established a Compensation Committee, which reviews and approves all matters relating to compensation of the directors and executive officers of the Corporation. With regard to the CEO, the Board reviews and approves corporate goals and objectives relevant to the CEO's compensation, evaluates

the CEO's performance in light of those goals and objectives and sets the CEO's compensation level based on this evaluation.

As at the date of this Circular, the Compensation Committee is composed of Alexandra Cattelan (Chair of Compensation), John Pantazopoulos, and Sonya Savage. John Pantazopoulos is not independent by virtue of the fact that he is the Corporation's Chairperson. Alexandra Cattelan and Sonya Savage are "independent" because they are not executive officers or former employees of the Corporation.

Governance Committee

The Board has established a Governance Committee, which is responsible for advising the Board of the appropriate corporate governance procedures that should be followed by the Corporation and the Board and monitoring whether they comply with such procedures.

As at the date of this Circular, the Governance Committee is composed of Kevin Stashin (Chair of Governance), Alexandra Cattelan and Sonya Savage. Kevin Stashin, Alexandra Cattelan, and Sonya Savage are "independent" because they are not executive officers or former employees of the Corporation.

MANAGEMENT CONTRACTS

The management functions of the Corporation are not to any substantial degree performed by any person other than the executive officers and directors of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

The Financial Statements will be presented to Shareholders at the Meeting, but no Shareholder vote is required in connection with these documents.

The Financial Statements, together with the auditor's report thereon and the accompanying management's discussion and analysis, have been filed on the Corporation's SEDAR+ profile at www.sedarplus.ca and copies are available upon request from the Corporation.

Appointment and Remuneration of Auditor

MNP LLP, Chartered Accountants ("**MNP LLP**"), is the auditor of the Corporation. MNP LLP was first appointed as the Corporation's auditor on December 27, 2018 by the Board, upon the recommendation of the Audit Committee of the Corporation.

Shareholders will be asked to approve the re-appointment of MNP LLP as the auditor of the Corporation to hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

Management is recommending the re-appointment of MNP LLP as auditor, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board of Directors. In the absence of instructions to the contrary, the management Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing MNP LLP as the Corporation's independent auditor for the ensuing year, at remuneration to be fixed by the Board of Directors.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution to set the number of directors elected for the ensuing year at six (6), subject to such increases as may be permitted by the Articles and by-laws of the Corporation and the provisions of the *Business Corporations Act* (Alberta) (“**ABCA**”).

Management recommends voting “FOR”, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors at six (6) for the ensuing year.

In the absence of instructions to the contrary, the management Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at six (6) for the ensuing year.

Election of Directors

Each Director of the Corporation is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles or by-laws of the Corporation or the ABCA.

At the Meeting, we will ask Shareholders to vote for the election of the six (6) Director nominees proposed by Management: Christopher Doornbos, John Pantazopoulos, Kevin Stashin, Alexandra Cattelan, Sonya Savage, and Tina Craft. Each Shareholder will be entitled to cast their votes for or withhold their votes from the election of each director nominee. For more information concerning the Management director nominees, see “*Election of Directors*”.

We recommend a vote “FOR” the election of each of the director nominees.

In the absence of instructions to the contrary, the management Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

Amendments to Omnibus Equity Incentive Plan

The Corporation has adopted the omnibus equity incentive plan (the “**Omnibus Plan**”) as its equity incentive plan. The Omnibus Plan was last approved by shareholders at the annual general and special meeting of the Corporation held on June 27, 2023. The Omnibus Plan was established to provide incentives to employees, officers, directors and consultants who provide services to the Corporation.

Pursuant to the policies of the TSXV, the Omnibus Plan must be approved by the Shareholders at the time it is implemented and yearly thereafter. In the event the Corporation fails to obtain Shareholder re-approval for the Omnibus Plan at the Meeting, then commencing on the earlier of: (i) the date of the Meeting, or (ii) the date which is 15 months from the date of the last Shareholder meeting at which Shareholders approved the Omnibus Plan, the Corporation cannot grant or issue any further Awards under the Omnibus Plan until it has obtained the requisite Shareholder approval for the Omnibus Plan. In addition to yearly re-approval of the Omnibus Plan, the Corporation is asking Shareholders to approve certain amendments to the Omnibus Plan, as more particularly set out below.

Amendments

The Omnibus Plan is a “rolling” equity incentive plan pursuant to which up to an aggregate of 10% of the issued and outstanding Common Shares may be reserved for issuance pursuant to the Omnibus Plan and any other security-based compensation arrangement of the Corporation.

At the Meeting, the Corporation will be asking Shareholders to approve amendments to the Omnibus Plan as more particularly set out in Appendix “B” to this Circular (the “**Amended Omnibus Plan**”) to change the

Omnibus Plan from a "rolling" plan to a "fixed" plan, such that up to an aggregate of 11,290,409 Common Shares may be reserved for issuance upon the exercise or settlement of Options, restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs", and together with Options, RSUs and PSUs, "Awards") granted pursuant to the Amended Omnibus Plan and any other security-based compensation arrangement of the Corporation.

The purpose of the proposed amendments is to provide the Corporation with additional flexibility in its incentive compensation structure to attract the exceptional talent it will need to execute on its projects without a heavy burden of large cash compensation packages. This allows the Corporation to increase the use of Award grants in its long-term compensation packages weighted against a small cash outlay to preserve the Corporation's capital. A blackline copy of the Amended Omnibus Plan compared to the version last approved by the Shareholders is attached as Appendix "B" to this Circular.

Background and Context of Omnibus Plan

The Amended Omnibus Plan replaces the Corporation's stock option plan (the "**Legacy Plan**"), which was last approved by Shareholders at the Corporation's annual general and special meeting held on June 22, 2021. All outstanding Options granted under the Legacy Plan will continue to be governed by the terms of the Legacy Plan and the Corporation has ceased to grant any Options or other equity-based awards under the Legacy Plan.

The objectives of the Amended Omnibus Plan are to, among other things, promote further alignment between the interests of officers, directors, employees and other service providers of the Corporation and the Shareholders; to associate a portion of participants' compensation with the performance of the Corporation; and to attract, motivate and retain the key participants to drive the business success of the Corporation and its subsidiaries.

A summary of the key terms of the Amended Omnibus Plan is set out below, which is qualified in its entirety by the full text of the Amended Omnibus Plan attached as Appendix "B" to this Circular.

Failure to Approve the Omnibus Plan

Pursuant to the policies of the TSXV, in the event the Corporation fails to obtain Shareholder re-approval for the Amended Omnibus Plan at the Meeting, then commencing on the earlier of: (i) the date of the Meeting, or (ii) the date which is 15 months from the date of the last Shareholder meeting at which Shareholders approved the Amended Omnibus Plan, the Corporation cannot grant or issue any further Awards under the Amended Omnibus Plan until it has obtained the requisite Shareholder approval for the Amended Omnibus Plan.

Administration

The Amended Omnibus Plan is administered by the Board. The Board determines which directors, officers, eligible employees or consultants of the Corporation and any affiliates of the Corporation designated by the Board (the "**Participating Entity**") are eligible to receive Awards under the Amended Omnibus Plan.

The approval of Shareholders is required for any amendments to the Amended Omnibus Plan that would result in an increase in the maximum number of Common Shares that may be issuable pursuant to Awards granted under the Amended Omnibus Plan, or an increase in the maximum number of Awards that may be issuable to "insiders" of the Corporation (as defined in TSXV Policy 1.1) and associates of such insiders at any time.

The approval of the disinterested Shareholders is required for any amendments that would result in a reduction in the exercise price of an outstanding Option benefitting an insider of the Corporation or an extension of the expiry date of an Award benefitting an insider of the Corporation (except in the case of an extension due to a blackout period).

The Board has the power to amend or modify the Amended Omnibus Plan or any Award granted thereunder without shareholder approval in connection with:

- (a) any amendment of a "housekeeping" nature, including those made to clarify the meaning of an existing provision of the Amended Omnibus Plan or any agreement, correct or supplement any provision of the Amended Omnibus Plan that is inconsistent with any other provision of the Amended Omnibus Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Amended Omnibus Plan regarding administration of the Amended Omnibus Plan; or
- (b) an amendment of the Amended Omnibus Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Corporation are then listed or any other regulatory body having authority over the Corporation, the Amended Omnibus Plan, Participants or the shareholders of the Corporation.

No amendment to the Amended Omnibus Plan shall become effective until the approval of the TSXV is obtained.

Eligibility

All employees, directors and, subject to the discretion of the Board, consultants of the Corporation and any Participating Entity are eligible to participate in the Amended Omnibus Plan (collectively, the "**Participants**"). Except as required by law, no Awards or any rights of a Participant under the Amended Omnibus Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Common Shares Subject to the Amended Omnibus Plan and Limitation on Awards

The Amended Omnibus Plan is a "fixed" plan, such that up to an aggregate of 11,290,409 Common Shares may be reserved for issuance upon the exercise or settlement of Options, RSUs, PSUs and DSUs granted pursuant to the Amended Omnibus Plan and any other security-based compensation arrangement of the Corporation.

In addition, the grant of Awards under the Amended Omnibus Plan is subject to the following additional limitations:

- (a) the aggregate number of Common Shares issuable to insiders of the Corporation under the Amended Omnibus Plan or any other security based compensation plan of the Corporation shall not at any time exceed 10% of the issued and outstanding Common Shares and the aggregate number of Common Shares issuable to insiders of the Corporation under the Amended Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not exceed 10% of the issued and outstanding Common Shares as at the date any Award is granted to any insider of the Corporation (unless the Corporation has obtained disinterested shareholder approval in respect thereof);
- (b) the aggregate number of Common Shares issuable to any one Participant under the Amended Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 5% of the issued and outstanding Common Shares as at the date any Award is granted to the Participant (unless the Corporation has obtained disinterested shareholder approval in respect thereof);
- (c) the aggregate number of Common Shares issuable to any one consultant under the Amended Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year

period, shall not at any time exceed 2% of the issued and outstanding Common Shares as at the date any Award is granted to the consultant; and

- (d) the aggregate number of Common Shares issuable to all Participants retained to provide "investor relations activities" (as defined in TSXV Policy 1.1) under the Amended Omnibus Plan or any other security based compensation plan of the Corporation, within a one-year period, shall not at any time exceed 2% of the issued and outstanding Common Shares as at the date any Option is granted to a Participant retained to provide investor relations activities.

Stock Options

The exercise price for Options is determined by the Board, but shall be not less than one hundred per cent (100%) of the Market Value (as defined in the Amended Omnibus Plan) at the date the Option is granted. Options granted under the Amended Omnibus Plan shall have the vesting provisions (if any) designated by the Board; provided, however, that any Options granted to Participants retained to provide investor relations activities shall vest in stages over a period of not less than twelve months with no more than one-quarter of the Options vesting in any three month period.

Options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

Restricted Share Units and Performance Share Units

The terms and conditions of RSU and PSU grants, including the quantity, type of award, award date, vesting conditions, applicable vesting periods and other terms and conditions with respect to the award, as determined by the Board, will be set out in such Participant's RSU agreement or PSU agreement, as applicable. The agreement governing the grant of a PSU may also set out the applicable performance goals and the performance periods during which such goals must be attained in order for vesting to occur. RSUs and PSUs shall be settled by the issuance of Common Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

Performance goals for PSUs may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the performance goals as necessary to align them with the Corporation's corporate objectives, subject to any limitations set forth in the award agreement for the PSU or an employment or other agreement with the Participant. The performance goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable award agreement for the PSU.

An RSU and PSU account will be maintained for each Participant and each notional grant of RSUs and PSUs, as granted to such Participant from time to time, will be credited to such Participant's account. RSUs and PSUs that fail to vest with respect to a Participant, or that are paid out to the Participant are cancelled and will be removed from such Participant's account.

Vested RSUs and PSUs may be settled on the first business day following the applicable vesting date, and, in any event, on or before December 31 of the third year following the year in which the Participant performed the services to which the grant of RSUs or PSUs relates. No RSU or PSU may vest before the date which is one year from the date of grant of the RSU or PSU.

If RSUs or PSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period

ends and the otherwise applicable date for the settlement of the RSUs or PSUs under the Amended Omnibus Plan.

Upon the settlement of vested RSUs or PSUs by the issuance of Common Shares, the Common Shares will be issued from treasury by the Corporation as fully paid non-assessable Common Shares in an amount based on the whole number of vested RSUs or PSUs, as applicable, then recorded in the Participant's account. If settled in cash, the aggregate market value of the vested RSUs or PSUs so settled will be determined based on the market value of the Common Shares on the applicable settlement date multiplied by the number of vested RSUs or PSUs, as applicable, then recorded in the Participant's account on the settlement date. No fractional Common Shares will be issued on the settlement of vested RSUs and PSUs, and any fractional vested RSUs or PSUs credited to a Participant's account will be settled in cash as set out above.

Deferred Share Units

The Board may grant DSUs to any eligible Participant designated by the Board as eligible to receive DSUs under the Amended Omnibus Plan. Eligible directors may also elect to be paid up to 100% of their annual board retainer (if applicable) in the form of DSUs, subject to Board approval. The number of DSUs granted at any particular time pursuant to the Amended Omnibus Plan will be calculated by not less than the market value of a Common Share on the grant date or election date, as applicable. The Corporation shall maintain a DSU account for each Participant. All DSUs recorded in a Participant's DSU account will vest on the date the Participant ceases to be a director of the Corporation and, if applicable, an employee of the Corporation; provided, however, that no DSU may vest before the date which is one year from the date of grant of the DSU. DSUs shall be settled by the issuance of Common Shares, a cash payment or any combination thereof, to be determined at the discretion of the Board at the time of settlement.

If DSUs would be otherwise be settled during a trading blackout period, such settlement shall be postponed until the earlier of the tenth (10th) business day following the date on which such blackout period ends and the otherwise applicable date for the settlement of the DSUs under the Amended Omnibus Plan.

Upon the settlement of DSUs by the issuance of Common Shares, the Common Shares will be issued from treasury by the Corporation as fully paid non-assessable Common Shares in an amount based on the whole number of DSUs then recorded in the Participant's DSU account (no fractional Common Shares will be issued). If settled in cash, the aggregate market value of the DSUs so settled will be determined based on the market value of the Common Shares on the applicable termination date multiplied by the number of DSUs then recorded in the Participant's DSU account on the termination date.

Termination, Death, Disability or Discontinuance

The Amended Omnibus Plan also provides for earlier termination of Awards on the occurrence of certain events, including:

- if the Participant dies or is terminated as a result of disability, or if the entity by which the Participant is employed or to which the Participant is a director or consultant ceases to be a Participating Entity:
 - all of the Options held by the Participant that would have vested in the 12 months following the date of death, resignation or termination (the "**Termination Date**") will vest immediately on such date;
 - if a Participant's RSUs have not vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to vest on the next scheduled vesting date set forth in the RSU Agreement for such RSUs will vest, based on the number of days that have elapsed between the date of grant of the RSU and the Termination Date, and such RSUs will be settled in accordance with the provisions of the Amended Omnibus Plan on the next scheduled vesting date set forth in the agreement governing the grant of such RSUs;

- if a Participant's PSUs have not vested, any PSUs standing to the credit of such Participant shall continue to vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date occurs (the "**90 Day Period**"). Subject to the Board's approval, any PSUs which do not vest in the normal course during the 90 Day Period shall vest pro rata upon the Termination Date to take into account only the period that has elapsed between the date of grant of the PSU and the Termination Date, provided the applicable performance goals for the PSU are satisfied in respect of the applicable performance period in which the Termination Date occurs; and
- vested Options, RSUs or PSUs held by the Participant shall terminate on the earlier of: (i) 12 months following the Termination Date, or (ii) the expiry date of such Option, RSU or PSU, as applicable;
- if the Participant resigns from employment or as a director or consultant:
 - the Participant shall forfeit all rights, title and interest in the Awards which are not vested on the date the notice of resignation is delivered to the Corporation; and
 - the Participant may exercise the Options which are vested on the date the notice of resignation is delivered to the Corporation until the earlier of: (i) the end of the applicable exercise period; and (ii) 30 days after the date the notice of resignation is delivered to the Corporation, after which time all Options expire;
- if the Participant's employment is terminated for "cause" (as defined in the Amended Omnibus Plan) or the Participant ceases to be a director or consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all Awards, whether vested or not as at the date of such termination;
- if the Participant's employment is terminated without cause, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:
 - the Participant's Options which are vested on the date of such termination may be exercised until the earlier of the applicable expiry date or 90 days after the date of such termination, after which time all Options expire;
 - the Participant's RSUs that have not vested shall vest in accordance with the Amended Omnibus Plan, provided that such RSUs shall in no event be settled later than the earlier of (i) one year following the date of such termination, and (ii) the expiry date of such RSUs; and
 - the Participant's PSUs that have not vested shall vest in accordance with the Amended Omnibus Plan, provided that such PSUs shall in no event be settled later than the earlier of (i) one year following the date of such termination, and (ii) the expiry date of such PSUs.

Notwithstanding the foregoing, the Board may, at the time of a Participant's termination, resignation, retirement, death or disability permit the exercise of any outstanding Options held by such Participant, provided that the Board may not extend the applicable exercise period of such Options.

Alterations/Corporate Transactions

If the Corporation effects a subdivision or consolidation of the Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Corporation that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options;
- (b) the exercise price of any outstanding Options; or
- (c) the number of RSUs, PSUs or DSUs in the Participant's account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion, subject to (i) the limits set forth in the Amended Omnibus Plan, (ii) the Corporation's compliance with TSXV Policy 4.4, and (iii) the Board's capacity to elect to effect such adjustment through payments in cash in lieu of adjusting the number of Common Shares or the number of RSUs, PSUs or DSUs in the Participant's account or notional account, as applicable. Notwithstanding the foregoing, any adjustment made by the Corporation in connection with an alteration of its capitalization or a corporate transaction, except for any adjustments made in connection with a subdivision or consolidation of the Common Shares, shall be subject to the approval of the TSXV.

Claw-Back Provisions

If the Board determines that a Participant: (i) engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes cause for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Corporation); or (ii) violated a non-competition, non-solicitation, non-disparagement, confidentiality or other restrictive covenant by which the Participant is bound, that Participant may, subject to the approval of the TSXV, be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Common Shares issued or issuable upon redemption or exercise of an Award or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the applicable securities commissions or similar regulatory authorities of the financial statements required to be restated.

The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Corporation or its subsidiaries.

Amended Omnibus Plan Resolution

At the Meeting, Shareholders will be asked to consider, and if thought fit, to approve with or without variation, the following resolution (the "**Amended Omnibus Plan Resolution**"):

"IT IS RESOLVED, as an ordinary resolution that:

1. The Omnibus Plan be amended to revise Section 3.8 of the Omnibus Plan to reserve for issuance under the Omnibus Plan at any time of a maximum of 11,290,409 common shares of the Corporation available for issuance pursuant to the exercise or settlement of options, restricted share units, performance share units and deferred share units;
2. The amended Omnibus Plan, substantially in the form attached as Appendix "B" to the Information Circular dated May 31, 2024 (the "**Amended Omnibus Plan**"), is hereby approved, confirmed and ratified, and the Board be authorized in its absolute discretion to administer the Amended Omnibus

Plan and amend or modify the Amended Omnibus Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and

3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Amended Omnibus Plan required by the Exchange or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Amended Omnibus Plan."

In order for the Amended Omnibus Plan Resolution to be passed, it must be approved by a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting.

The Board recommends that Shareholders vote in favour of the approval of the Amended Omnibus Plan Resolution. The Management Proxyholders, unless expressly directed to the contrary in such form of proxy, will vote such proxies FOR the Amended Omnibus Plan Resolution to approve certain amendments to the Omnibus Plan.

Ratification of Amended and Restated By-Law No. 1

Following a review of the Corporation's existing By-Law No. 1 (the "**Existing By-Laws**"), the Corporation has identified certain amendments required to modernize the Existing By-Laws to reflect technological developments, evolving corporate governance practices and recent changes to the ABCA. As a result, the Board has determined that it is in the best interests of the Corporation to amend and restate the Existing By-Laws with the Amended and Restated By-Law No. 1 (the "**A&R By-Laws**").

On May 31, 2024, the Board approved the adoption of the A&R By-Laws and the repeal of the Existing By-Laws. The A&R By-Laws became effective upon being approved by the Board, however under the ABCA the Corporation is required to submit the A&R By-Laws to the Shareholders at the next meeting of Shareholders, at which time the Shareholders may either confirm, confirm as amended or reject the A&R By-Laws. At the Meeting, Shareholders will be asked to consider and, if thought fit, pass, with or without variation, the By-Law Resolution (as defined below) to confirm, ratify and approve the repeal of the Existing By-Laws and confirm, ratify and approve the adoption of the A&R By-Laws. If the By-Law Resolution is not approved at the Meeting, the A&R By-Laws will be of no force and effect and the Corporation will continue to be governed by the Existing By-Laws.

A blackline comparison showing the A&R By-Laws compared to the Existing By-Laws is attached as Appendix "C" to this Circular.

In addition to various non-material "housekeeping" amendments, the following is a summary of the principal amendments contemplated by the A&R By-Laws:

| Principal Amendments | Reference to A&R By-Laws |
|---|--------------------------|
| <p><i>Creation, Provision and Execution of Documents Using Electronic Means</i></p> <p>The A&R By-Laws provide that documents may be signed on behalf of the Corporation by electronic means and allows the use of electronic documents and electronic means in accordance with the provisions of the ABCA to satisfy the requirement to create or provide a document in writing.</p> | <p>Section 2.1</p> |

| Principal Amendments | Reference to A&R By-Laws |
|---|--------------------------|
| <p><i>Disclosure by Directors and Officers in Relation to Contracts</i></p> <p>The A&R By-Laws provide for certain amendments to better align the Corporation's by-laws with the current provisions of the ABCA relating to disclosable interests of a director or officer in material contracts or material transactions.</p> | Sections 7.1 and 7.3 |
| <p><i>Shareholder Meetings using Electronic or Other Communication Facilities</i></p> <p>The A&R By-Laws clarify that the Corporation may hold Shareholder meetings virtually using telephonic, electronic or other communication facilities that permit all participants to communicate adequately with each other during the meeting, as well as permitting Shareholder voting at such meetings to be carried out by means of a telephonic, electronic or other communication facility.</p> | Section 10.24 |
| <p><i>Contemporary Methods of Providing Notice to Directors, Officers, Shareholders and Auditors</i></p> <p>The A&R By-Laws set out additional contemporary methods of providing notice to directors, officers, Shareholders and auditors, and includes the use of a notice-and-access method to provide Shareholders with any notice, document or other information required to be provided to Shareholders under the by-laws or the ABCA.</p> | Sections 11.1 and 11.2 |

The summaries provided above are qualified in their entirety by the text of the A&R By-Laws attached hereto as Appendix "C". In the event of any conflict or inconsistency between the above summaries and the provisions of the A&R By-Laws, the provisions in the A&R By-Laws shall prevail.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass the following ordinary resolution, with or without variation (the "**By-Law Resolution**"):

"IT IS RESOLVED, as an ordinary resolution that:

1. The Amended and Restated By-Law No. 1, in the form set out in Appendix "C" to the Information Circular dated May 31, 2024, as previously adopted by the board of directors of the Corporation on May 31, 2024, is ratified, confirmed and approved;
2. The repeal of By-Law No. 1 of the Corporation by the board of directors of the Corporation on May 31, 2024, is hereby ratified, approved and confirmed; and
3. Any director or officer of the Corporation is authorized and directed to do all things and to execute and deliver or to cause to be executed and delivered any documents considered to be necessary or desirable, in such director's or officer's sole discretion, to give effect to these resolutions."

The Board recommends that Shareholders vote FOR the By-Law Resolution to approve the Amended and Restated By-Law No. 1. In order to be effective, the By-Law Resolution must be approved by not less than a majority of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. Unless otherwise instructed, the management proxyholders intend to vote FOR the By-Law Resolution.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Financial information concerning the Corporation is contained in its comparative financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2023. Copies of these documents, this Circular and additional information relating to the Corporation may be found under the Corporation's profile on SEDAR+ at www.sedarplus.ca or obtained upon request from the Corporation without charge to shareholders:

E3 LITHIUM LTD.
Suite 1520, 300 - 5th Avenue SW
Calgary, AB T2P 3C4
Tel: 587-324-2775
Email: admin@e3lithium.ca

DATED this 31st day of May, 2024.

ON BEHALF OF THE BOARD

“Christopher Doornbos”

Christopher Doornbos
CEO, President and Director

APPENDIX "A"

Charter of the Audit Committee of the Board of Directors of E3 Lithium Ltd. (the "Corporation")

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Corporation (the "Board") to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The Audit Committee's primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor;
- (e) review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation's financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

Article 3 – External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants Canada;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation; and
- (i) receive from the external auditors timely reports of:
 - (i) all critical accounting policies and practises to be used;

- (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
- (iii) other material written communications between the external auditors and management.

Article 5 – Legal Compliance

On at least an annual basis, the Audit Committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action. To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.

APPENDIX "B"

Amended Omnibus Plan

(see attached)

E3 LITHIUM LTD.

OMNIBUS EQUITY INCENTIVE PLAN
(AS AMENDED MAY 31, 2024)

◆ **MAY 31, 2024**

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E3 LITHIUM LTD.

OMNIBUS EQUITY INCENTIVE PLAN (AS AMENDED MAY 31, 2024)

1 Establishment, Purpose, and Duration

1.1 Establishment of the Plan

E3 Lithium Ltd. (the “**Company**”) has established this Omnibus Equity Incentive Plan (as the same may be amended from time to time in accordance with its terms, the “**Plan**”). The Plan permits the grant of Options to purchase common shares, Restricted Share Units, Deferred Share Units and Performance Share Units. The Plan was approved by the Board (as defined below) on May 26, 2023 (the “**Effective Date**”), and last approved by the shareholders of the Company on June 27, 2023. Pursuant to the policies of the TSXV, the Company must receive shareholder approval at the time the Plan is implemented and yearly thereafter, at the Issuer’s annual meeting of shareholders. The Plan shall commence as of the Effective Date, and shall remain in effect until terminated by the Board pursuant to Section 10.10 hereof.

1.2 Purposes

The purposes of the Plan are: (i) to promote a significant alignment between officers and employees of the Company and its affiliates (as defined below) and the long term growth objectives of the Company; (ii) to associate a portion of participating employees’ compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain the key employees to drive the business success of the Company and its subsidiaries.

2 Interpretation

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the following meanings, respectively:

“**affiliate**” has the meaning ascribed thereto in section 1.3 of National Instrument 45-106 *Prospectus Exemptions*, as amended from time to time.

“**Annual Board Retainer**” means the annual retainer paid by the Company to a director in a fiscal year for service on the Board, together with Board committee fees, attendance fees and retainers to committee chairs.

“**Applicable Withholding Taxes**” has the meaning set out in Section 3.4.

“**Award**” means an Option, RSU, PSU or DSU granted under the Plan.

“**Award Agreement**” means an Option Agreement, PSU Agreement, RSU Agreement or DSU Agreement pursuant to which an Award is granted, as the context requires.

“**Award Date**” means the date the Board grants an Award to a Participant under the Plan.

"Blackout Period" means any period imposed by the Company, during which specified individuals, including Insiders of the Company, are prohibited from trading in the Company's securities pursuant to securities regulatory requirements or the Company's written policies (including for greater certainty any period during which specific individuals are restricted from trading because they have undisclosed Material Information), but does not include any period when a regulator has halted trading in the Company's securities.

"Board" means the board of directors of the Company as constituted from time to time, unless a Committee has been constituted and the Committee has been charged with the responsibility of administering the Plan, in which case all references in the Plan to the Board shall be deemed to be references to the Committee.

"Business Day" means any day, other than a Saturday, Sunday or statutory holiday in the Province of Alberta, on which commercial banks in Calgary, Alberta are open for business.

"Cause" means, with respect to a particular Participant:

- (a) "cause" as such term is defined in the employment or other written agreement between the Company or a subsidiary of the Company and the Participant;
- (b) in the event there is no written or other applicable employment agreement between the Company or a subsidiary of the Company or "cause" is not defined in such agreement, "cause" as such term is defined in the Award Agreement; or
- (c) in the event neither clause (a) nor (b) apply, then "cause" as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where an employer can terminate an individual's employment without notice or pay in lieu thereof.

"Change of Control" means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company's then issued and outstanding securities entitled to vote in the election of directors of the Company;
- (b) there is consummated an arrangement, amalgamation, merger or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (i) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction or (ii) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
- (c) the sale, lease, exchange, license or other disposition of all or substantially all of the Company's consolidated assets to a Person other than a Person that was an affiliate of

the Company at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;

- (d) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company 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 the shareholdings of shareholders of the Company remain substantially the same following the re-arrangement); or
- (e) individuals who, as of the date hereof, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of the Plan, be considered as a member of the Incumbent Board.

"**Committee**" means the committee of the Board responsible for recommending to the Board the compensation of the key employees, Directors and Consultants.

"**Company**" means E3 Lithium Ltd. and any of its successors.

"**Consultant**" means an individual who:

- (a) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management, investor relations or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is defined in the *Securities Act* (Alberta));
- (b) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity; and
- (c) 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 any Subsidiary.

"**Consultant Entity**" means a Consultant that is not an individual.

"**Deferred Share Unit**" or "**DSU**" means a unit designated as a Deferred Share Unit representing the right to receive one Share (or its cash equivalent) in accordance with the terms set forth in the Plan.

"**Director**" means a non-employee member of the board of directors of any Participating Entity.

"**Disability**" or "**Disabled**" means any incapacity or inability of a particular Participant, including any physical or mental incapacity, disease or affliction of the Participant as determined by a legally qualified medical practitioner or by a court, which has prevented or which will likely

prevent the Participant from performing the essential duties of his position (taking into account reasonable accommodation by the Corporation) for a continuous period of 180 days or for any cumulative period of 270 days in any 360 consecutive day period;

"DSU Agreement" means a signed, written agreement between a DSU Participant and the Company, substantially in the form attached as Schedule "E" hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a DSU has been granted under the Plan.

"DSU Election Notice" means an election notice substantially in the form attached hereto in Schedule "F" (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable).

"DSU Participant" means a Director of the Company who has been designated by the Company for participation in the Plan, who has agreed to participate in the Plan and to whom Deferred Share Units have or will be granted hereunder.

"DSU Payment Date" means, with respect to a Deferred Share Unit granted to a DSU Participant, no later than December 31 of the fiscal year following the fiscal year in which the DSU Termination Date occurred.

"DSU Settlement Notice" means a notice, in substantially the form attached hereto in Schedule "G" (subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable), by the Company electing the desired form of settlement of Deferred Share Units.

"DSU Termination Date" of a DSU Participant means, the day that the DSU Participant ceases to be a Director of the Company and, if applicable, an employee of the Company for any reason.

"Elected Amount" has the meaning set out in Section 8.3(a).

"Exercise Notice" means a notice in writing substantially in the form set out in Schedule "A" hereto signed by a Participant and stating the Participant's intention to exercise a particular Option granted under the Plan.

"Exercise Period" means the period of time during which an Option granted under the Plan may be exercised.

"Exercise Price" means the price at which Shares may be purchased on the exercise of an Option granted under the Plan.-

"Expiry Date" means:

- (a) in respect of any Option, the tenth (10th) anniversary of its Award Date unless an earlier date is specified by the Board; and
- (b) in respect of any Share Unit, the date specified in the applicable Award Agreement, if any, as the date on which the Share Unit will be terminated and cancelled or, if later or no such date is specified in the applicable Award Agreement, December 31 of the third (3rd) calendar year commencing after the Award Date, in the case of each, subject to

extension in the event the Expiry Date occurs during a Blackout Period in which case, but subject to Section 4(5)(b) in respect of Share Units, the Expiry Date shall be extended until 10 Business Days after the end of the Blackout Period.

"Insider" has the meaning ascribed thereto in TSXV Policy 1.1.

"Investor Relations Activities" has the meaning ascribed thereto in TSXV Policy 1.1.

"Investor Relations Service Provider" has the meaning ascribed thereto in TSXV Policy 4.4.

"Market Value" on any particular day means the market price of one (1) Share and shall be calculated by reference to the closing price for a board lot of Shares on the TSXV, on that day, or if at least one (1) board lot of Shares shall not have been traded on the TSXV on that day, on the immediately preceding day for which at least one (1) board lot was so traded (or, if such Shares are not listed and posted for trading on the TSXV, on such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Shares as determined by the Board in its discretion.

"Material Information" has the meaning ascribed thereto in TSXV Policy 1.1.

"Option" means a right granted to a Participant to purchase Shares on the terms set out in the Plan.

"Option Agreement" means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule "B" hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an Option has been granted under the Plan.

"Outstanding Issue" means the number of Shares that are outstanding (on a non-diluted basis) immediately prior to the grant of Award in question.

"Participant" means an employee, Director or Consultant of a Participating Entity who the Board determines may participate in the Plan (and includes, where appropriate, a DSU Participant).

"Participating Entity" means the Company and any affiliate of the Company which is designated by the Board from time to time.

"Performance Goals" means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company, a subsidiary of the Company, a division of the Company or a subsidiary of the Company, or an individual, or may be applied to the performance of the Company or a subsidiary of the Company relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Board in its discretion, which may be measured over a specified period;

"Performance Period" means, with respect to PSUs, the period specified by the Board for achievement of any applicable Performance Goals as a condition to Vesting.

“Performance Share Unit” or **“PSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous employment and subject to the attainment of Performance Goals and the satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.

“Person” means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in such person’s capacity as trustee, executor, administrator or other legal representative.

“Plan” has the meaning set out in Section 1.1.

“Policy 4.4” means Policy 4.4 – *Security Based Compensation* of the TSXV Manual.

“PSU Account” has the meaning set out in Section 6.3.

“PSU Agreement” means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “C” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which a PSU has been granted under the Plan.

“PSU Settlement Date” has the meaning set out in Section 6.5(a)(i).

“Restricted Share Unit” or **“RSU”** means a right granted to a Participant to receive a Share or its cash equivalent that generally becomes Vested, if at all, following a period of continuous employment or tenure and subject to Time Vesting Conditions of the Participant with a Participating Entity.

“Retirement” means resignation in circumstances which the Board, in its discretion, determines is Retirement and on such terms as the Board may specify.

“RSU Account” has the meaning set out in Section 5.3.

“RSU Agreement” means a signed, written agreement between a Participant and the Company, substantially in the form attached as Schedule “D” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an RSU has been granted under the Plan.

“RSU Settlement Date” has the meaning set out in Section 5.4(a)(i).

“Security Based Compensation Plan” has the meaning ascribed thereto in Policy 4.4.

“Share” means a common share of the Company.

“Share Unit” means either an RSU or a PSU as the context requires.

“Share Unit Settlement Notice” means a notice, in substantially the form attached hereto in Schedule “H” (subject to any amendments or additions thereto as may, in the discretion of the

Board, be necessary or advisable), by the Company electing the desired form of settlement of Share Units.

“**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Company has an equity interest and is designated by the Plan administrator, from time to time, for purposes of the Plan to be a subsidiary;

“**Target Performance**” has the meaning set forth in Section 6.4;

“**Termination Date**” means a Participant's last day of actual and active employment or the end of his or her term as a Director or Consultant, as applicable, and does not include any period of statutory, contractual or reasonable notice or any period of salary continuance or deemed employment.

“**Termination Notice**” has the meaning set out in Section 8.3(a).

“**Time Vesting Conditions**” means any conditions relating to continued service with a Participating Entity for a period of time in respect of the Vesting of Share Units determined by the Board at the time of the Award.

“**TSXV**” means the TSX Venture Exchange and any successor exchange.

“**TSXV Manual**” means the TSX Venture Corporate Finance Manual, as amended from time to time, including such Staff Notices of the TSXV from time to time which may supplement the same.

“**TSXV Policy 1.1**” means Policy 1.1 – *Interpretation* of the TSXV Manual.

“**Vested**” means (i) with respect to an Option, that it has become exercisable, and (ii) with respect to Share Units, the applicable Time Vesting Conditions, Performance Goals and/or any other conditions for Vesting in relation to a whole or a percentage of the number of Share Units covered by an Award determined by the Board in connection with each RSU or PSU granted pursuant to the Plan, as the case may be, have been met. “**Vest**” and “**Vesting**” have corresponding meanings.

“**Vesting Date**” means a date on which the applicable Time Vesting Conditions, Performance Goals for the Performance Period and/or any other conditions for a Share Unit becoming Vested are met.

“**Vesting Period**” means, with respect to an Award, a period specified by the Board, commencing on the Award Date and ending no later than immediately prior to the Expiry Date.

2.2 Interpretation

The Plan is to be interpreted as follows:

- (a) The use of headings is for ease of reference only and does not affect construction or interpretation of the Plan.
- (b) Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and

neuter genders.

- (c) References to Sections and Subsections are references to sections and subsections in the Plan, unless otherwise specified.
- (d) All amounts paid or values to be determined under the Plan shall be in Canadian dollars. Values determined in currencies other than Canadian dollars shall be converted into Canadian dollars using the prevailing applicable exchange rates on the day of grant. Any amounts paid in currencies other than Canadian dollars shall be converted from Canadian dollars to such other currency using the applicable prevailing exchange rate on the date preceding such payment.
- (e) Whenever the Board is to exercise discretion in the administration of the terms and conditions of the Plan or any Award, the term "discretion" means the "sole and absolute discretion" of the Board.
- (f) Where the words "including" or "includes" appear in the Plan, they mean "including (or includes) without limitation".

3 Administration

3.1 Administration

The Plan will be administered by the Board and the Board has complete authority, in its discretion, to interpret the provisions of the Plan. In administering and interpreting the Plan, the Board may adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan which the Board determines, in its discretion, are necessary or advisable. The Board's determinations and actions within its authority under the Plan are final, conclusive and binding on the Company, its affiliates and all other Persons.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee all or any of the powers conferred on the Board under the Plan. In such event, references to the Board mean and include the Committee and the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decisions made or actions taken by the Committee arising out of or in connection with the administration or interpretation of the Plan within its authority under the Plan, are final, conclusive and binding on the Participating Entities and all other Persons.

3.3 Eligibility

Participation in the Plan is entirely voluntary.

All employees and Directors of Participating Entities are eligible to participate in the Plan. In addition, and subject to applicable laws, the Board may determine in its discretion which Consultants are eligible to participate in the Plan. However, under no circumstances may grants of RSUs, PSUs or DSUs be made to an Investor Relations Service Provider under the Plan.

Eligibility to participate in the Plan does not confer upon any Person any right to be granted Awards pursuant to the Plan. In addition, no Participant has any claim or right to be granted an Award (including an Award granted in substitution for any Award that has expired pursuant to the terms of the Plan).

3.4 Taxes and Other Source Deductions

Notwithstanding any other provision contained herein, the relevant Participating Entity shall be entitled to withhold from any amount payable to a Participant, either under the Plan or otherwise, such amounts as may be necessary so as to ensure that the relevant Participating Entity is in compliance with all applicable withholding tax or other source deduction liabilities relating to the settlement of Awards hereunder (the "**Applicable Withholding Taxes**"). Further, the relevant Participating Entity may elect to settle the cash equivalent amount in installments over the year in which the Award vests in accordance with local employment practices. It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified in applicable laws as a result of the Participant's participation in the Plan. The Company shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan and the Participant shall indemnify and save harmless the Company from and against any and all loss, liability, damage, penalty or expense (including legal expense), which may be asserted against the Company or which the Company may suffer or incur arising out of, resulting from, or relating in any manner whatsoever to any tax liability in connection therewith. For greater certainty, unless not required under the *Income Tax Act* (Canada) or any other applicable law, no cash payment will be made nor will Shares be issued until: (a) an amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options) has been received by the Company (or withheld by the Company as noted above, if applicable); (b) the Participant undertakes to arrange, in a manner satisfactory to the Board, in its discretion, for such number of Shares to be sold as is necessary to raise an amount equal to the Applicable Withholding Taxes, and to cause the proceeds from the sale of such Shares to be delivered to the Company; or (c) the Participant has made other arrangements, satisfactory to the Board, in its discretion, to cover the Applicable Withholding Taxes payable on the settlement of Awards (including, for certainty, the exercise of any Options).

3.5 Information

Each Participant shall provide the Company with all information the Company requires from that Participant in order to administer the Plan.

3.6 Indemnification

Each member of the Board and Committee is indemnified and held harmless by the Company against any cost or expense arising out of any act or omission to act in connection with the Plan to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board or Committee member may have as director or otherwise.

3.7 Governing Law

The Plan and all Award Agreements entered into pursuant to the Plan shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Alberta and the federal laws of Canada applicable in that province.

3.8 Total Shares Subject to Awards

- (a) Notwithstanding any other provision ~~contained in the~~ of this Plan, the maximum number of Shares available for issuance pursuant to the exercise of Options and the settlement of Share Units and DSUs granted pursuant to the Plan and any other Security Based Compensation Plan of the Company shall not exceed 40% of the Outstanding Issue from time to time - 11,290,409 Shares.
- (b) -In addition, the grant of Awards under the Plan is subject to the following additional limitations:
- (i) ~~(a)~~ the aggregate number of Shares issuable to Insiders of the Company under the Plan or any other Security Based Compensation Plan of the Company shall not at any time exceed 10% of the Outstanding Issue and the aggregate number of Shares issuable to Insiders of the Company under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not exceed 10% of the Outstanding Issue as at the date any Award is granted to any Insider of the Company (unless the Company has obtained disinterested shareholder approval in respect thereof);
 - (ii) ~~(b)~~ the aggregate number of Shares issuable to any one Person under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 5% of the Outstanding Issue as at the date any Award is granted to the Person (unless the Company has obtained disinterested shareholder approval in respect thereof);
 - (iii) ~~(c)~~ the aggregate number of Shares issuable to any one Consultant under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 2% of the Outstanding Issue as at the date any Award is granted to the Consultant; and
 - (iv) ~~(d)~~ the aggregate number of Shares issuable to all Persons retained to provide Investor Relations Activities under the Plan or any other Security Based Compensation Plan of the Company, within a one-year period, shall not at any time exceed 2% of the Outstanding Issue as at the date any Option is granted to the Persons retained to provide Investor Relations Activities.

~~If for any reason, any Shares subject to issuance on the exercise of Options granted under the Plan are not issued, for reasons including the termination, expiration or cancellation of an Option, such Shares will again become available for issuance under the Plan. If any Share Units or DSUs granted under the Plan expire, terminate or are cancelled for any reason without being settled in the form of Shares issued from treasury, such Shares will again become available for issuance under the Plan.~~

- (c) The Plan is not considered an “evergreen” plan, since the Awards which have been exercised or settled shall not be available for subsequent grants under the Plan and the number of Awards available to grant decreases as the number of issued and outstanding Shares increases.

3.9 Award Agreements

All grants of Awards under the Plan will be evidenced by Award Agreements. Any one officer or director of the Company is authorized and empowered to execute on behalf of the Company and deliver an Award Agreement to a Participant.–

3.10 Copy of Plan

Each Participant, concurrently with the notice of the grant of the Award, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Board to each Participant.

4 Options

4.1 Grant of Options

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Participant, and the Participant shall execute an Option Agreement evidencing the same.

4.2 Terms and Conditions of Options

Subject to this Section 4, the Board shall determine the following in its discretion with respect to each Option:

- (a) the number of Shares issuable on the exercise of such Option;
- (b) the Exercise Price subject to Section 4.3;
- (c) the Expiry Date;
- (d) the Vesting schedule, if any; and
- (e) such other terms and conditions as the Board may consider appropriate in its discretion,

provided, that Options granted to Persons retained to provide Investor Relations Activities shall Vest in stages over a period of not less than twelve (12) months with no more than 1/4 of the Options Vesting in any three-month period.

4.3 Exercise Price

The Exercise Price under any Option will be as determined by the Board but may not be less than the Market Value of a Share at the Award Date.

4.4 Term of Options

Subject to Section 4.8 and to any accelerated termination pursuant to the Plan, each Option expires on the Expiry Date. For greater certainty, each Option may be exercised at the latest on the 10th anniversary of the date it was granted.

4.5 Payment of Exercise Price

Subject to the provisions of the Plan and any Option Agreement, Options may be exercised by delivery of a fully completed Exercise Notice to the Chief Executive Officer and/or Chief Financial Officer of the Company accompanied by payment in full of the applicable Exercise Price and any Applicable Withholding Taxes. The Exercise Price and any Applicable Withholding Taxes may be paid by wire transfer, electronic funds transfer, certified cheque, bank draft or money order payable to the Company.

4.6 Issue of Shares

No Shares will be issued or transferred until full payment of the Exercise Price therefor and any Applicable Withholding Taxes have been received by the Company and all conditions to the issue of the Shares have been met. As soon as practicable after receipt of any Exercise Notice and full payment of the Exercise Price and the satisfaction of all conditions to the issue of the Shares, the Company will deliver to the Participant a certificate or certificates representing the acquired Shares.

4.7 Conditions to Delivery of Shares

The Company's obligation to issue and deliver Shares upon the exercise of any Option is subject to:

- (a) the satisfaction of all requirements under applicable laws in respect thereof and obtaining all approvals the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required; and
- (b) if such Shares are listed on any stock exchange or quotation market in Canada, compliance with the requirements of such stock exchanges or quotation markets.

4.8 Extension of Options that Expire During a Blackout Period

If an Option would otherwise expire during a Blackout Period, the term of such Option shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

4.9 Effect of Exercise

A Participant shall have no further rights, title or interest with respect to any Option that has been exercised.

5 Restricted Share Units

5.1 Grant of RSUs

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant RSUs to any Participant, and the Participant shall execute an RSU Agreement. Each RSU will consist of a right to receive a Share, cash payment or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.

5.2 Number of RSUs

- (a) Each RSU Award Agreement shall set forth the type and Award Date of the Share Units evidenced thereby, the number of RSUs subject to such Award, the applicable Vesting conditions, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.
- (b) No RSU may Vest before the date that is one year from the date of grant of such RSU.
- (c) The number of RSUs, including fractional RSUs, granted at any particular time pursuant to this Section 5 will be calculated by dividing (i) the amount payment that is to be paid in RSUs, as determined by the Board, by (ii) the greater of (A) the Market Value of a Share on the Award Date; and (B) such amount as determined by the Board in its discretion.
- (d) One (1) RSU is equivalent to one (1) Share.

5.3 RSU Accounts

An account, called a "**RSU Account**", shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of Share Units as are received by a Participant from time to time. RSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's RSU Account as of the date on which such RSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

5.4 Settlement of RSUs

- (a) Except as otherwise provided in an Award Agreement:
 - (i) all of the Vested RSUs covered by a particular grant and related RSUs may be settled on the first Business Day following their Vesting Date (the "**RSU Settlement Date**");
 - (ii) the Company is entitled to deliver to the Participant, within ten (10) Business Days following the RSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the Share Units in respect of any or all Vested Share Units held by the Participant; and
 - (iii) in the Share Unit Settlement Notice, the Company will elect, at the Board's discretion, including with respect to any fractional Share Units, to settle Vested

Share Units for their cash equivalent (determined in accordance with Section 5.5(a)), Shares (determined in accordance with Section 5.5(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).

- (b) Except as otherwise provided in an Award Agreement, subject to Section 5.4(c), settlement of Share Units shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
- (i) in the case of settlement of RSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
 - (ii) in the case of settlement of RSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
 - (iii) in the case of a settlement of RSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a RSU would otherwise expire during a Blackout Period, the term of such RSU shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the RSU Settlement Date (and any subsequent payment with respect thereof) for any RSU granted hereunder be made later than the end of the third calendar year after the first year of a Participant's services in respect of which the RSUs were granted or credited, and any RSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the discretion of the Board, subject to the Company's compliance with Policy 4.4.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of his or her RSUs within 10 Business Days following the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 5.5(b).

5.5 Determination of Amounts

- (a) For the purposes of determining the cash equivalent of RSUs to be made pursuant to Section 5.4(b)(i) or Section 5.4(b)(iii), such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of Vested Share Units in the Participant's RSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of RSUs pursuant to Section 5.4(b)(ii) or Section 5.4(b)(iii), such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the RSU Account which the Company desires to settle pursuant to the

Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional RSUs by (ii) the Market Value on the RSU Settlement Date.

6 Performance Share Units

6.1 Grant of PSUs

The Board may, in its discretion, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant PSUs to any Participant, and the Participant shall execute a PSU Agreement. Each PSU will consist of a right to receive a Share, cash payment or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such Performance Periods as the Board shall establish.

6.2 Number and Type of Share Units

- (a) Each Award Agreement shall set forth the type and Award Date of the PSUs evidenced thereby, the number of PSUs subject to such Award, the applicable Vesting conditions including the Performance Goals to be achieved during any Performance Period, the length of any Performance Period, and the applicable Vesting Period(s) and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan.
- (b) No PSU may Vest before the date that is one year from the date of grant of such PSU.
- (c) PSUs that are subject to Performance Goals and may become Vested PSUs based on a multiplier, which may be greater or less than 100%, subject to such percentage being no greater than 200%.

6.3 PSU Account

An account, called a "**PSU Account**", shall be maintained by a Participating Entity for each Participant and will be credited with such notional grants of PSUs as are received by a Participant from time to time. PSUs that fail to Vest in a Participant, or that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's PSU Account as of the date on which such PSUs are forfeited or cancelled under the Plan or are paid out, as the case may be.

6.4 Performance Goals

The Board will issue Performance Goals prior to the Award Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional, cluster or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Board. The Board may modify the Performance Goals as necessary to align them with the Company's corporate

objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur) ("**Target Performance**"), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

6.5 Settlement of PSUs

- (a) Except as otherwise provided in an Award Agreement:
- (i) all of the Vested PSUs covered by a particular grant and related Share Units may be settled on the first Business Day following their Vesting Date (the "**PSU Settlement Date**");
 - (ii) the Company is entitled to deliver to the Participant, within ten (10) Business Days following the PSU Settlement Date, a Share Unit Settlement Notice providing for the method of settlement for the PSUs in respect of any or all Vested Share Units held by the Participant; and
 - (iii) in the Share Unit Settlement Notice, the Company will elect, at the Board's discretion, including with respect to any fractional PSUs, to settle Vested Share Units for their cash equivalent (determined in accordance with Section 6.6(a)), Shares (determined in accordance with Section 6.6(b)) or a combination thereof; provided, however, that the Company (i) shall ensure that the issuance of any Share be within the limits set forth in Section 3.8, and (ii) shall at all relevant times reserve the right to modify the method of settlement (even if a Share Unit Settlement Notice has already been delivered to the Participant).
- (b) Except as otherwise provided in an Award Agreement, subject to Section 6.5(c), settlement of PSUs shall take place promptly following delivery of a Share Unit Settlement Notice and take the form set out in the Share Unit Settlement Notice (unless otherwise modified by the Company) through:
- (i) in the case of settlement of PSUs for their cash equivalent, delivery of the cash equivalent to the Participant;
 - (ii) in the case of settlement of PSUs for Shares, delivery of a share certificate to the Participant or the entry of the Participant's name on the share register for the Shares; or
 - (iii) in the case of a settlement of PSUs for a combination of Shares and cash, a combination of (i) and (ii) above.

Subject to the paragraph below, if a PSUs would otherwise expire during a Blackout Period, the term of such Share Unit shall automatically be extended until ten (10) Business Days after the end of the Blackout Period.

Notwithstanding any other provision of the Plan, in no event will the PSU Settlement Date (and any subsequent payment with respect thereof) for any PSUs granted hereunder be made later than the end of the third calendar year after the first year of a

Participant's services in respect of which the PSUs were granted or credited, and any PSUs that have not settled and been paid by such date will automatically expire or will accelerate and be settled and paid out by such date, at the discretion of the Board, subject to the Company's compliance with Policy 4.4.

- (c) Except as otherwise provided in an Award Agreement, if a Share Unit Settlement Notice is not received by a Participant in respect of his or her PSUs within 10 Business Days following the PSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 6.6(b).

6.6 Determination of Amounts

- (a) For the purposes of determining the cash equivalent of PSUs to be made pursuant to Section 6.5(b)(i) or Section 6.5(b)(iii), such calculation will be made on the PSU Settlement Date based on the Market Value on the PSU Settlement Date multiplied by the number of Vested Share Units in the Participant's PSU Account which the Company desires to settle in cash pursuant to the Share Unit Settlement Notice.
- (b) For the purposes of determining the number of Shares from treasury to be issued and delivered to a Participant upon settlement of PSUs pursuant to Section 6.5(b)(ii) or Section 6.5(b)(iii), such calculation will be made on the PSU Settlement Date based on the whole number of Shares equal to the whole number of Vested Share Units then recorded in the PSU Account which the Company desires to settle pursuant to the Share Unit Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the Participant and the entitlement of the Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the Participant with respect to the value of fractional Share Units standing to the Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Share Units by (ii) the Market Value on the PSU Settlement Date.

7 Claw-Back Provisions

If the Board determines that a Participant : (i) engaged in an act of embezzlement, fraud, breach of fiduciary duty or any other misconduct which constitutes Cause for dismissal during the Participant's employment or engagement that significantly contributed to an obligation to restate the Corporation's financial statements (whether required by law, accounting principles, regulatory policy or settlement with regulators having jurisdiction over the Company); or (ii) violated a noncompetition, non-solicitation, non-disparagement, confidentiality or other restrictive covenant by which the Participant is bound, that Participant may, subject to the approval of the TSXV, be required to return any outstanding unexercised or unredeemed Awards for cancellation, and repay the proceeds resulting from any sale or other disposition of Shares issued or issuable upon redemption or exercise of an Award or any cash received on redemption of an Award, if the sale, disposition or receipt of cash occurred during the three year period following the first public issuance or filing with the applicable securities commissions or similar regulatory authorities of the financial statements required to be restated. The term "proceeds" means, with respect to any sale or other disposition of Shares issued or issuable upon exercise or redemption of an Award, an amount determined appropriate (on an "after-tax" basis taking into account any tax recoupment possible after the claw-back) by the Board to reflect the effect of the restatement on the Company's financial statements, up to:

- (a) the amount equal to the number of Shares sold or disposed of multiplied by the difference between the Market Value per Share the time of such sale or disposition and the Exercise Price; or
- (b) in the case of a redemption for cash, the total amount received by the Participant in cash.

The Board may, in determining the appropriate amount of the claw-back referred to above, take into account penalties or punishments imposed by third parties, such as law enforcement agencies, regulators or other authorities. The Board's power to determine the appropriate punishment for the Participant is in addition to, and not in replacement of, any remedies which may be imposed by such entities and any other remedies available to the Company or its subsidiaries. The amounts which may be clawed-back under this Section 7 are a reasonable pre-estimate of the damages which would be suffered by the Company in the event of the misconduct described above by a Participant and shall not be construed as a penalty. If any court or arbitrator determines that any provision contained in this Section 7 is unenforceable because of the duration of the provision or for any other reason, the duration or scope of the provision, as the case may be, shall be reduced so that the provision becomes enforceable and, in its reduced form, the provision shall then be enforceable and shall be enforced.

8 Deferred Share Units

8.1 Grant of Deferred Share Units

Subject to this Section 8, the Board may recommend the grant of, from time to time, Deferred Share Units to a DSU Participant. The grant of a Deferred Share Unit shall be evidenced by a DSU Agreement, signed on behalf of the Company. The Company shall maintain a notional account for each DSU Participant, in which shall be recorded the number of Deferred Share Units granted or credited to such DSU Participant. The grant of a Deferred Share Unit to a DSU Participant, or the settlement of a Deferred Share Unit, under the Plan shall neither entitle each DSU Participant to receive nor preclude such DSU Participant from receiving subsequently granted Deferred Share Units.

8.2 Equivalence

One (1) Deferred Share Unit is equivalent to one (1) Share. Fractional Deferred Share Units are permitted under the Plan.

8.3 Election Notice; Elected Amount.

- (a) Subject to Board approval, a DSU Participant may elect by filing a DSU Election Notice, once each fiscal year, to be paid up to one hundred percent (100%) of his or her Annual Board Retainer in the form of Deferred Share Units (the "**Elected Amount**"), with the balance being paid in cash in accordance with the Company's regular practices of paying such cash compensation. In the case of an existing DSU Participant, the election must be completed, signed and delivered to the Company by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new DSU Participant, the election must be completed, signed and delivered to the Company as soon as possible, and, in any event, no later than 30 days, after the director's

appointment, with such election to be effective on the first day of the fiscal quarter of the Company next following the date of the Company's receipt of the election until the final day of such fiscal year. For the first year of the Plan, DSU Participants must make such election as soon as possible, and, in any event, no later than 30 days, after adoption of the Plan and the election shall be effective on the first day of the fiscal quarter of the Company next following the date of the Company's receipt of the election until the final day of such fiscal year. If no election is made in respect of a particular fiscal year, the new or existing DSU Participant will be paid in cash in accordance with the Company's regular practices of paying such cash compensation.

- (b) The DSU Election Notice shall, subject to any minimum amount that may be required by the Board, from time to time, designate the percentage of the Annual Board Retainer for the applicable fiscal year that is to be deferred into Deferred Share Units, with the remaining percentage to be paid in cash in accordance with the Company's regular practices of paying such cash compensation.
- (c) In the absence of a designation to the contrary (including delivery of a DSU Election Notice by a DSU Participant requesting that a greater or lesser percentage of his or her Annual Board Retainer be payable in the form of Deferred Share Units relative to the percentage previously elected by such DSU Participant), the DSU Participant's Election Notice shall remain in effect unless otherwise terminated.

8.4 Termination Right

- (a) Each DSU Participant is entitled to terminate his or her DSU Election Notice by filing with the Chief Financial Officer of the Company, or such other officer of the Company designated by the Board, a notice electing to terminate the receipt of additional Deferred Share Units in substantially the form of Schedule "I" attached hereto (a "**Termination Notice**"). Such Termination Notice shall be effective as of the date received by the Company.
- (b) Thereafter, any portion of such DSU Participant's Annual Board Retainer payable, and subject to compliance with Section 8.3, all subsequent Annual Board Retainers shall be paid in cash in accordance with the Company's regular practices of paying such cash compensation.

8.5 Calculation

The number of Deferred Share Units (including fractional Deferred Share Units) granted at any particular time pursuant to the Plan will be calculated by: (a) in the case of an Elected Amount, by dividing (i) the dollar amount of the Elected Amount allocated to the DSU Participant by (ii) the Market Value of a Share on the applicable Award Date; or (b) in the case of a grant of Deferred Share Units pursuant to Section 8.1, by dividing (i) the dollar amount of such grant by (ii) the Market Value of a Share on the date of grant.

8.6 Vesting

- (a) All Deferred Share Units recorded in a DSU Participant's Deferred Share Unit notional account shall vest on the DSU Termination Date, unless otherwise determined by the Board at its discretion, in compliance with Section 10.10(h) and subject to the Company's compliance with Policy 4.4; provided, however, that no DSU shall vest

before the date that is one year following the date of grant of such DSU.

8.7 Settlement in respect of Deferred Share Units

- (a) In respect of an award of Deferred Share Units granted to a DSU Participant, settlement shall be as soon as practicable following the DSU Termination Date and no later than the DSU Payment Date.
- (b) Within ten (10) Business Days following the DSU Termination Date, the Company shall deliver to the DSU Participant (or where the DSU Participant has died, the legal representative of the DSU Participant) a DSU Settlement Notice providing for the method of settlement for the Deferred Share Units in respect of all Deferred Share Units held by the DSU Participant.
- (c) In the DSU Settlement Notice, the Company will elect, in the Board's discretion, including with respect to any fractional Deferred Share Units, to settle the Deferred Share Units for their cash equivalent (determined in accordance with Section 8.7(a)), Shares (determined in accordance with Section 8.7(b)) or a combination thereof; provided, however, that the Company shall at all relevant times reserve the right to modify the method of settlement (even if a DSU Settlement Notice has already been delivered to the DSU Participant).
- (d) Except as otherwise provided in an Award Agreement, subject to Section 8.7, settlement of Deferred Share Units shall take place promptly following deliver of a DSU Settlement Notice and take the form set out in the DSU Settlement Notice (unless otherwise modified by the Company) through:
 - (i) in the case of settlement of Deferred Share Units for their cash equivalent, delivery of the cash equivalent to the DSU Participant;
 - (ii) in the case of the settlement of Deferred Share Units for Shares, delivery of a share certificate to the DSU Participant or the entry of the DSU Participant's name on the share register for the Shares; or
 - (iii) in the case of a settlement of Deferred Share Units for a combination of Shares and cash, a combination of (i) and (ii) above.
- (e) If a DSU Settlement Notice is not received by a DSU Participant in respect of his or her Deferred Share Units within ten (10) Business Days following the DSU Termination Date, settlement shall take the form of Shares issued from treasury as set out in Section 8.7(b).

8.8 Determination of Amounts

- (a) For a cash settlement, for purposes of determining the aggregate Market Value of the Shares which would otherwise be issuable in settlement of such DSUs, such calculation will be made based on the Market Value on the DSU Termination Date multiplied by the number of Deferred Share Units in the Participant's Deferred Share Unit notional account as of the DSU Termination Date.
- (b) For the purposes of determining the number of Shares to be issued from treasury and delivered to a DSU Participant upon settlement of Deferred Share Units, such

calculation will be made on the DSU Termination Date, or if the DSU Termination Date is not a Business Day, on the next such Business Day, based on the whole number of Shares equal to the whole number of Deferred Share Units then recorded in the Participant's Deferred Share Unit notional account. Shares issued from treasury will be issued in consideration for the past services of the DSU Participant to the Company and the entitlement of the DSU Participant under the Plan shall be satisfied in full by such issuance of Shares. If applicable, the Company shall also make a cash payment to the DSU Participant with respect to the value of fractional Deferred Share Units standing to the DSU Participant's credit after the maximum number of whole Shares have been issued by the Company, calculated by multiplying (i) the number of such fractional Deferred Share Units by (ii) the Market Value on the DSU Termination Date.

9 Termination of Employment or Tenure

9.1 Resignation

If a Participant resigns from employment or as a director or Consultant with a Participating Entity, the Participant shall forfeit all rights, title and interest in the Participant's Awards which are not Vested on the date the notice of resignation is delivered to the Company. The Participant may exercise the Participant's Options which are Vested on the date the notice of resignation is delivered to the Company until the earlier of: (i) the end of the Exercise Period; and (ii) 30 days after the date the notice of resignation is delivered to the Company, after which time all Options expire.

9.2 Termination for Cause

If a Participant's employment is terminated by a Participating Entity for Cause or the Participant ceases to be a director or Consultant on a similar basis, the Participant shall forfeit all rights, title and interest in all the Participant's Awards, whether Vested or not Vested at the Termination Date.

9.3 Retirement, Death, Disability and Disposition of a Participating Entity

If a Participant's employment or other position with a Participating Entity ceases because of the death, Disability or Retirement of the Participant, or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity:

- (a) all of the Options that would Vest in the one year period following the Termination Date will vest immediately prior to the Termination Date;
- (b) if a Participant's RSUs have not Vested, subject to the Board's approval, a pro rata portion of the Participant's RSUs that are scheduled to Vest on the next scheduled Vesting Date set forth in the RSU Agreement for such RSUs will Vest, based on the number of days that have elapsed between the Award Date and the Termination Date, and such RSUs will be settled in accordance with the provisions of Section 5 on the next scheduled Vesting Date set forth in the RSU Agreement;
- (c) if a Participant's PSUs have not Vested, any PSUs standing to the credit of such Participant shall continue to Vest (and be settled) in the normal course for a period of ninety (90) days extending from the end of the fiscal year in which the Termination Date

occurs (the “90 Day Period”). Subject to the Board’s approval, any PSUs which do not Vest in the normal course during the 90 Day Period shall Vest pro rata upon the Termination Date to take into account only the period that has elapsed between the Award Date and the Termination Date, provided the Performance Goals are satisfied in respect of the applicable Performance Period in which the Termination Date occurs; and

- (d) any such Vested Option, RSU or PSU may be exercised by the Participant (or, where the Participant has died, his or her legal representatives), provided that such Option, RSU or PSU shall in no event expire later than the earlier of (i) one (1) year following the Termination Date, and (ii) the expiry date of such Option, RSU or PSU, as the case may be.

9.4 Termination without Cause

If a Participant’s employment is terminated without Cause, the Participant resigns because he or she has been constructively dismissed, or the Participant ceases to be a director or Consultant on a similar basis then:

- (a) all of the Participant’s Options which are Vested on the Termination Date may be exercised until the earlier of the Expiry Date or 90 days after the Termination Date, after which time all Options expire;
- (b) a Participant’s RSUs that have not Vested shall Vest in accordance with Section 9.4(b), provided that such RSUs shall in no event be settled later than the earlier of (i) one (1) year following the Termination Date, and (ii) the expiry date of such RSUs; and
- (c) a Participant’s PSUs that have not Vested shall Vest in accordance with Section 9.4(c), provided that such PSUs shall in no event be settled later than the earlier of (i) one (1) year following the Termination Date, and (ii) the expiry date of such PSUs.

9.5 Discretion to Permit Exercise

Subject to applicable laws, the Board may, in its discretion, at any time permit the exercise of any or all Options held by the Participant or by the Participant’s estate, as the case may be, in the manner and on the terms authorized by the Board in its discretion, provided that the Board may not, in any case, authorize the exercise of an Option pursuant to this Section beyond the expiration of the Exercise Period of the particular Option.

9.6 Unexercisable Options

Except in connection with the death, Disability or Retirement of a Participant or because the Person which employs the Participant or to which the Participant is a director or Consultant, ceases to be a Participating Entity as provided for in Section 9.3, any Options held by the Participant that were not exercisable or Vested at the Termination Date shall immediately expire and be cancelled on such date, provided, however, that the Board may, in its absolute discretion, upon granting Options under this Plan specify: (i) subject to Section 4.2 and Policy 4.4, different time periods during which an Option is exercisable following the Termination Date; (ii) subject to Section 4.2 and Policy 4.4, different time periods within which an Option will terminate if a Participant ceases to be a Director, Officer, employee, or Consultant of the

Company, and (iii) subject to the provisions of this Plan and Policy 4.4, designate different exercise prices and vesting provisions with respect to an Option.

9.7 Leave of Absence

For the purposes of the Plan, a Participant who is granted in writing a leave of absence or who is entitled to a statutory leave of absence shall be deemed to have remained in the employ of the Company or the applicable Participating Entity, as applicable, during such leave of absence.

9.8 No Entitlement to Damages

A Participant shall have no entitlement to damages or other compensation arising from or related to not receiving a grant of Options, RSUs, PSUs or Shares which would have been made to the Participant or which would have Vested after the Participant's termination date. However, nothing herein is intended to limit any statutory entitlements on termination and such statutory entitlements shall, if required, apply despite this language to the contrary.

10 General

10.1 General

The provisions contained in the Plan and any Award Agreement and the existence of any Awards shall not affect in any way the right of the Company or its shareholders or affiliates to take any action, including any change in the Company's capital structure or its business, or any acquisition, disposition, amalgamation, combination, merger or consolidation, or the creation or issuance of any bonds, debentures, shares or other securities of the Company or of an affiliate thereof or the determination of the rights and conditions attaching thereto, or the dissolution or liquidation of the Company or of any of its affiliates or any sale or transfer of all or any part of their respective assets or businesses or ceasing to be a reporting issuer or to be listed on any stock exchange, whether or not any such corporate action or proceeding would have an adverse effect on the Plan or any Awards granted hereunder.

10.2 Reorganization of the Company's Capital

If the Company effects a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of an ordinary cash dividend), or if any other change is made in the capitalization of the Company that, in the opinion of the Board, would warrant the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options; or
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion, subject to (i) the limits set forth in Section 3.8, (ii) the Company's compliance with Policy 4.4, and (iii) the Board's capacity to elect to effect such adjustment through payments in cash in lieu of adjusting the number of Shares or the number

of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable. Notwithstanding the foregoing, any adjustment made by the Company as set forth in this Section 10.2, except for such adjustment made in connection with a subdivision or consolidation of Shares, shall be subject to the approval of the TSXV.

10.3 Other Events Affecting the Company

In the event of an amalgamation, arrangement, combination, spin-off or other reorganization or any other corporate transaction having a similar effect involving the Company that, in the opinion of the Board, warrants the amendment or replacement of any existing Awards in order to adjust:

- (a) the number of Shares that may be acquired on the exercise of any outstanding Options;
- (b) the Exercise Price of any outstanding Options;
- (c) the number of Share Units or DSUs in the Participant's Share Unit account or notional account, as applicable; or
- (d) the kind of shares covered by outstanding Awards,

in order to preserve proportionately the rights and obligations of the Participants, the Board will authorize such steps to be taken as may be equitable and appropriate to that end as determined by the Board in its discretion. Notwithstanding the foregoing, any adjustment made by the Company as set forth in this Section 10.3 shall be subject to the approval of the TSXV.

10.4 Immediate Exercise of Awards

Where the Board determines that the steps provided in Section 10.2 and Section 10.3 would not preserve proportionately the rights and obligations of the Participants in the circumstances or the Board otherwise determines that it is appropriate, subject to the Company's compliance with Policy 4.4 and the approval of the TSXV, the Board may permit the Vesting and exercise, as applicable, effective no later than the Business Day immediately prior to the date on which the event referenced in Section 10.2 or Section 10.3, as applicable, is consummated, of any outstanding Awards that are not then otherwise Vested and the cancellation of any outstanding Options which are not exercised within any specified period.

10.5 Change of Control

In the event of a Change of Control, the Board may accelerate the expiry of Options granted under the Plan to the Business Day immediately following the date on which such Change of Control is consummated, provided that:

- (a) the Board accelerates the Vesting of the Options prior to the date on which the Change of Control is consummated;
- (b) the Company gives notice of the accelerated Vesting and expiry to all Participants not less than ten (10) Business Days prior to the date of consummation of the Change of Control;
- (c) the acceleration of the Vesting of Options held by Persons retained to provide Investor

Relations Activities shall be subject to the approval of the TSXV; and

(d) any acceleration shall be subject to the Company's compliance with Policy 4.4.

In the event of a Change of Control, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the Participants in, and to prevent the dilution or enlargement of, any RSUs, PSUs or DSUs, including: (i) ensuring that the Company or any entity which is or would be the successor to the Company or which may issue securities in exchange for Shares upon the Change of Control becoming effective will provide each Participant with new or replacement or amended RSUs, PSUs or DSUs, as the case may be, which will continue to Vest following the Change of Control on similar terms and conditions as provided in the Plan; (ii) causing all or a portion of the outstanding Share Units to Vest immediately prior to the Change of Control; or (iii) any combination of the above.

In addition, in the event of a Change of Control, for each Option with an Exercise Price greater than the consideration offered in connection with any such transaction, the Board may in its discretion elect to cancel such Option without any payment to the Participant holding such Option.

10.6 Fractional Shares

No fractional Shares will be issued on the exercise of an Option or the settlement of a Share Unit. Accordingly, if as a result of any adjustment to either the Exercise Price or the number of Shares issuable on exercise of an Option is made pursuant to the Plan, or to the number of Share Units in the Participant's Share Unit account, the Participant would become entitled to receive a fractional Share on the exercise of an Option or the settlement of a Share Unit, the Participant has the right to acquire only the number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares so disregarded.

10.7 Legal Requirement

The Company is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its discretion, such action would constitute a violation by a Participant or the Company of any provision of any applicable statutory or regulatory requirement of any government or governmental authority. No Award will be granted, and no Shares will be issued under the Plan, where such grant or issue would require registration of the Plan or of the Awards or Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of any Shares under the Plan in violation of this provision is void. Shares issued to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

10.8 Participant's Entitlement

Except as otherwise provided in the Plan, Awards previously granted under the Plan, whether or not then exercisable, are not affected by any change in the relationship between or ownership of the Company and an affiliate.

10.9 Rights of Participant

The granting of any Award is not to be construed as giving a Participant a right to remain in the employ of the Company or a Participating Entity nor to continue to serve as a director or Consultant.

10.10 Amendment or Discontinuance

- (a) In addition to any other rights provided in the Plan, but subject to Sections 10.10(b) and 10.10(c) and the approval of the TSXV and the shareholders of the Company, where applicable, the Board may: (i) amend, suspend or terminate the Plan or any portion thereof at any time and without notice to or approval from any Participant; or (ii) amend or modify any outstanding Award in any manner to the extent that the Board would have had the initial authority to grant the Award as so modified or amended, whereupon the Plan shall be amended or discontinued, as appropriate, in the manner and to the extent required by applicable laws and other rules and regulations.
- (b) The Board shall not take any action pursuant to Section 10.10(a) that would adversely affect or alter the rights of a Participant in relation to a previously granted Award in a material manner, unless: (i) such action is permitted by the Plan or the Award Agreement relating to such Award; or (ii) the prior consent of the affected Participant is obtained, and provided that such action is taken in accordance with applicable law and subject to any required regulatory approval, including approval from any stock exchange upon which the Shares are then listed and shareholder approval.
- (c) Subject to Section 10.10(f), the Board may from time to time, in its discretion and without approval of the shareholders of the Company, make changes to the Plan or any Award that do not require the approval of shareholders under Sections 10.10(d) and 10.10(e), which may include but are not limited to:
 - (i) any amendment of a "housekeeping" nature, including those made to clarify the meaning of an existing provision of the Plan or any agreement, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan or any agreement, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan; or
 - (ii) an amendment of the Plan or an Award as necessary to comply with applicable law or the requirements of any stock exchange upon which the securities of the Company are then listed or any other regulatory body having authority over the Company, the Plan, Participants or the shareholders of the Company.
- (d) Notwithstanding the foregoing or any other provision of the Plan, the approval of the shareholders of the Company is required for the following amendments to the Plan:
 - (i) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under the Plan;
 - (ii) any increase in the maximum number of Awards that may be issuable to Insiders of the Company and associates of such Insiders at any time; and
 - (iii) any amendment to Section 10.10(c) and this Section 10.10(d) of the Plan.

- (e) Notwithstanding the foregoing or any other provision of the Plan, the approval of the disinterested shareholders of the Company is required for the following amendments:
 - (i) any reduction in the Exercise Price of an Option benefitting an Insider of the Company;
 - (ii) any extension of the Expiry Date of an Award benefitting an Insider of the Company, except in the case of an extension due to a Blackout Period; and
 - (iii) any amendment to this Section 10.10(e) of the Plan.
- (f) Notwithstanding anything contained herein to the contrary, no amendment to the Plan shall become effective until the approval of the TSXV is obtained.
- (g) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan, will continue in effect as long as any Awards or any rights pursuant thereto remain outstanding.
- (h) No amendment to the Plan shall be made which would cause the Plan, in respect of Deferred Shares Units, to cease to be a plan described in regulation 6801(d) of the *Income Tax Act* (Canada) or any successor to such provision.

10.11 Severability

If any provision of the Plan or any Award Agreement is determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions are severable and enforceable in accordance with their terms, and all provisions will remain enforceable in any other jurisdiction.

10.12 General Restrictions and Assignment

Except as required by law, no Awards or any rights of a Participant under the Plan may be anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and no such Awards or rights are capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Subject to the approval of the Board or the Committee, a Participant that is an individual may elect, at any time, to participate in the Plan by holding any Award granted under the Plan in a registered retirement savings plan established by such Participant for the sole benefit of such Participant or in a personal holding company controlled by such Participant. For the purposes of this Section 10.12, a personal holding corporation shall be deemed to be controlled by a Participant if: (i) voting securities carrying more than 50% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Participant and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation; and (ii) all of the equity securities of such corporation are directly or indirectly held, otherwise than by way of security only, by or for the benefit of such Participant and/or his or her spouse, children or grandchildren. In the event that a Participant elects to hold the Award granted under the Plan in a registered retirement savings plan or personal holding corporation, the provisions of the Plan shall continue to apply as if the Participant held such Award directly.

10.13 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 the 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 Awards whatsoever. Participants are expressly advised that the value of any Awards will fluctuate as the trading price of the Shares fluctuates.

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

10.14 No Shareholder Rights

Under no circumstances shall Awards 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 grant of Awards.

10.15 Unfunded and Unsecured Plan

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 Awards under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Company.

10.16 Non-Exclusivity

Nothing contained in the Plan prevents the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or shareholder approval.

10.17 Other Employee Benefits

The amount of any compensation deemed to be received by a Participant as a result of the exercise of an Option or the settlement of an RSU or PSU will not constitute compensation with respect to which any other employee benefits of that Participant are determined including benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Board in writing.

10.18 Tax Consequences

It is the responsibility of the Participant to complete and file any tax returns and pay all taxes that may be required under Canadian or other tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. No Participating Entity shall be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan.

10.19 Bona Fide Representations

The Company is representing herein and in the applicable Award Agreement that each Participant shall be a bona fide employee, Director or Consultant of a Participating Entity, and each Participant shall be deemed to make such applicable representation herein and in the applicable Award Agreement upon his, her or its acceptance of any Award. The execution of an Award Agreement by the Company shall constitute conclusive evidence that the Awards have been granted to the Participants in compliance with the Plan.

10.20 Language

The Participants, by accepting Awards issued or granted under the Plan, have agreed that the Plan as well as any notice, document or instrument relating to it, including any Award Agreement, be drawn up in English. *Les parties aux présentes ont convenu, en acceptant des attributions émises ou octroyées aux termes du régime, que le régime ainsi que tous autres avis, actes ou documents s'y rattachant, y compris toute convention d'attribution, soient rédigés en anglais.*

10.21 Effective Date

The Plan is effective May 26, 2023, as amended May 31, 2024.

Schedule "A"

OPTION EXERCISE NOTICE

I, _____ [Print Name], hereby exercise the Options to purchase _____ common shares (the "**Shares**") of E3 Lithium Ltd. (the "**Company**") at an exercise price of \$ _____ per Share (the "**Exercise Price**"). This Exercise Notice is delivered in respect of the Options to purchase _____ Shares of the Company granted to me on _____ [Insert Date] pursuant to the Option Agreement entered into between the Company and me on _____ [Insert Date].

In connection with the foregoing:

- (a) I enclose a certified cheque or bank draft payable to the Company; or
- (b) I have initiated a wire transfer of immediately available funds to the Company, in either case, in _____ the _____ amount _____ of \$ _____ [Insert Amount] as full payment for the Shares to be received upon exercise of the Options. I hereby direct the Company to issue the Shares in my name.

In connection with the exercise of the Options, I hereby covenant and agree to pay to the Company, in addition to the Exercise Price, any amount that the Company is obliged to remit to a relevant taxing authority in connection with the exercise of the Options and I understand that the exercise of the Options is conditional upon me making any such payment to the Company.

Date: _____

Participant Signature: _____

Schedule "B"

OPTION AGREEMENT

E3 Lithium Ltd. (the "**Company**") hereby grants to the Participant named below, options (the "**Options**") to purchase, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan of the Company (the "**Plan**"), a copy of which is attached to this Option Agreement, the number of common shares of the Company (the "**Shares**") at the exercise price per Share set forth below:

Name of Participant: _ _____

Date of Grant: _ _____

Number of Shares subject to Option: _ _____

Expiry Date: _ _____

| Vesting Date | Number of Options Vested | Exercise Price |
|--------------|--------------------------|----------------|
| | | |

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan. Each notice relating to the Option, including the exercise thereof, shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

E3 Lithium Ltd.
Suite 1520, 300 – 5th Avenue SW, Calgary, AB T2P 3C4
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

E3 LITHIUM LTD.

Per: _____

Name:

Title:

I have read the foregoing Agreement and the Plan and hereby accept the Options to purchase Shares in accordance with and subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: _____

Participant Signature: _____

Schedule "C"

PERFORMANCE SHARE UNIT AGREEMENT

E3 Lithium Ltd. (the "**Company**") hereby grants to the Participant named below, performance share units (the "**PSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan of the Company (the "**Plan**"), a copy of which is attached to this PSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: _ _____

Award Date: _ _____

Number of PSUs: _ _____

Number and Class of Shares subject to the PSUs: _ _____

Performance Period: _ _____

Expiry Date: _ _____

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

1. The PSUs will vest upon the satisfaction of the Performance Goals set forth below prior to the Expiry Date:

[Performance Goals to be inserted]

2. If the Performance Goals are not satisfied prior to the Expiry Date, the PSUs will terminate and be null and void.
3. Any notice relating to the PSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

E3 Lithium Ltd.
1520, 300 – 5th Avenue SW, Calgary, AB T2P 3C4
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

[signature page follows]

E3 LITHIUM LTD.

Per: _____

Name:

Title:

I have read the foregoing Agreement and the Plan and hereby accept the PSUs subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date:

Participant Signature: _____

Schedule "D"

RESTRICTED SHARE UNIT AGREEMENT

E3 Lithium Ltd. (the "**Company**") hereby grants to the Participant named below, Restricted Share Units ("**RSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of Participant: _ _____

Award Date: _ _____

Number of RSUs: _ _____

Number of Shares subject to the RSUs: _ _____

Expiry Date: _ _____

1. The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.
2. The RSUs will vest: *[vesting conditions to be inserted]*.
3. Any notice relating to the RSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

E3 Lithium Ltd.
Suite 1520, 300 - 5th Avenue SW, Calgary, AB T2P 3C4
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.
4. This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

[signature page follows]

E3 LITHIUM LTD.

Per: _____

Name:

Title:

I have read the foregoing Agreement and the Plan and hereby accept the RSUs subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date:

Participant Signature: _____

Schedule "E"

DSU AGREEMENT

E3 Lithium Ltd. (the "**Company**") hereby grants to the DSU Participant named below, deferred share units (the "**DSUs**") to receive, in accordance with and subject to the terms, conditions and restrictions of this Agreement together with the provisions of the Omnibus Equity Incentive Plan (the "**Plan**") of the Company, a copy of which is attached to this DSU Agreement, the number and class of shares of the Company (or their cash equivalent) as set forth below:

Name of DSU Participant: _____

Award Date: _ _____

Number of DSUs: _ _____

Number of Shares subject to the DSUs: _ _____

The terms and conditions of the Plan are incorporated by reference as terms and conditions of this Agreement. All capitalized terms used in this Agreement have the meanings ascribed thereto in the Plan. The Participant acknowledges that the Participant has received, read and understands the Plan.

Any notice relating to the DSUs shall be in writing. All notices to the Company shall be delivered personally or by prepaid registered mail and shall be addressed to:

E3 Lithium Ltd.
Suite 1520, 300 – 5th Avenue SW, Calgary, AB T2P 3C4
Attention: Chief Financial Officer

All notices to the Participant shall be addressed to the principal address of the Participant on file with the Company. Either the Company or the Participant may designate a different address by written notice to the other.

This Agreement has been made in and shall be construed under and in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

E3 LITHIUM LTD.

Per: _____

Name:

Title:

I have read the foregoing Agreement and the Plan and hereby accept the DSUs subject to the terms and conditions of such Agreement and the Plan. I agree to be bound by the terms and conditions of such Agreement and the Plan.

Date: _____

Participant Signature: _____

Schedule "F"

DSU ELECTION NOTICE

Pursuant to the Omnibus Equity Incentive Plan (the "**Plan**") of E3 Lithium Ltd. (the "**Company**"), I hereby elect to receive _____% of my Annual Board Retainer for the fiscal year of in the form of Deferred Share Units in lieu of cash. I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.
- (b) I recognize that when Deferred Share Units are settled in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon settlement of the Deferred Share Units, the Company will make or arrange with me to make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Share Units is based on the value of the Shares and therefore is not guaranteed.
- (d) This election is irrevocable except as otherwise set forth in the Plan or the Schedules thereto.

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date

Name of DSU
Participant

Signature of DSU
Participant

Schedule "G"

DSU SETTLEMENT NOTICE

In respect of the Deferred Share Units that vested on ____ that were granted to you by E3 Lithium Ltd. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the Deferred Share Units (including for any fractional Deferred Share Units) as follows [Company to select one]:

- () (i) the cash equivalent, calculated in accordance with Section 8.7(a) of the Plan;
- () (ii) Shares, calculated in accordance with Section 8.7(b) of the Plan; or
- () (iii) the cash equivalent for ____ Deferred Share Units and Shares for Deferred Share Units.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:]

[I (check one):

- () (i) enclose cash, a certified cheque, bank draft or money order to the Company in the _____ amount of \$ _____ as full payment for the applicable withholding taxes;
- () (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- () (iii) if permitted by the Company, elect to settle for cash such number of Deferred Share Units as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date

Name of DSU Participant

Signature of DSU Participant

Schedule "H"

SHARE UNIT SETTLEMENT NOTICE

In respect of the RSUs that Vested on _____ that were granted to you by E3 Lithium Ltd. (the "**Company**") pursuant to the Company's Omnibus Equity Incentive Plan (the "**Plan**"), the Company hereby elects to settle the RSUs (including for any fractional RSUs) as follows [Company to select one]:

- () (i) the cash equivalent, calculated in accordance with Section 5.5(a) of the Plan;
- () (ii) Shares, calculated in accordance with Section 5.5(b) of the Plan; or
- () (iii) the cash equivalent for ___ RSUs and Shares for RSUs.

In respect of the PSUs that Vested on _____ that were granted to you by the Company pursuant to the Plan, the Company hereby elects to settle the PSUs (including for any fractional PSUs) as follows [Company to select one]:

- () (i) the cash equivalent, calculated in accordance with Section 6.6(a) of the Plan;
- () (ii) Shares, calculated in accordance with Section 6.6(b) of the Plan; or
- () (iii) the cash equivalent for ___ PSUs and Shares for PSUs.

[In the event the Company elects the cash equivalent, include:] [I acknowledge that the Company will deduct from payment applicable withholding taxes in accordance with the Plan.]

[In the event the Company elects Shares, include:] [I (check one):

- () (i) enclose cash, a certified cheque, bank draft or money order to the Company in the _____ amount of \$ _____ as full payment for the applicable withholding taxes;
- () (ii) undertake to arrange, in a manner satisfactory to the Board, for such number of Shares to be sold as is necessary to raise an amount equal to the applicable withholding taxes and to cause the proceeds from the sale of such Shares to be delivered to the Company; or
- () (iii) if permitted by the Company, elect to settle for cash such number of [RSUs][PSUs] as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.]

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date

Name of Participant

Signature of Participant

Schedule "I"

DSU TERMINATION NOTICE

Notwithstanding my previous election on the DSU Election Notice dated _____, I hereby elect to terminate my participation in the Omnibus Equity Incentive Plan (the "**Plan**") of E3 Lithium Ltd. (the "**Company**") effective as of the date this Termination Notice is received by the Company.

I understand that the Deferred Share Units already granted under the Plan cannot be settled until the DSU Termination Date.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to continue to be bound by the Plan.

All capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Plan.

Date

Name of DSU
Participant

Signature of DSU
Participant

APPENDIX "C"

Amended and Restated By-Law No. 1

(see attached)

AMENDED AND RESTATED BY-LAW NUMBER 1
RELATING GENERALLY
TO THE TRANSACTION OF THE
BUSINESS AND AFFAIRS OF
E3 METALS CORPLITHIUM LTD.

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SECTION 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In the By-laws, unless the context otherwise requires:

- (a) “**ABCA**” means the *Business Corporations Act* (Alberta), as amended;
- (b) “**appoint**” includes elect and vice versa;
- (c) “**Articles**” includes the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution and articles of revival of the Corporation, and any amendment to any of them;
- (d) “**Board**” means the board of directors of the Corporation;
- (e) “**By-laws**” means this by-law and all other by-laws of the Corporation from time to time in force;
- (f) “**Corporation**” means ~~E3 Metals Corp~~ Lithium Ltd.;
- (g) “**Director**” means an individual who is elected or appointed as a director of the Corporation;
- (h) “**Indemnified Party**” has the meaning set out in Section 8 for purposes of that section;
- (i) “**Officer**” means an officer of the Corporation appointed by the Board;
- (j) “**Record Date**” means, for the purpose of determining Shareholders entitled to receive notice of a meeting of Shareholders:
 - (i) the date fixed in advance by the Board for that determination which precedes the date on which the meeting is to be held by not more than 50 days and not less than 21 days;
 - (ii) if no date is fixed by the Board, at the close of business on the last business day which precedes the day on which the notice is sent; or
 - (iii) if no notice is sent, the day on which the meeting is held;
- (k) “**Recorded Address**” means:
 - (i) in the case of a Shareholder, the Shareholder’s latest address as shown in the Corporation’s records or those of its transfer agent;

- (ii) in the case of joint Shareholders, the latest address as shown in the Corporation's records or those of its transfer agent in respect of those joint holders, or the first address appearing if there is more than one address;
- (iii) in the case of a Director, the Director's latest address as shown in the Corporation's records or in the last notice of directors filed with the Registrar; and
- (iv) in the case of an Officer or auditor of the Corporation, if applicable, that person's latest address as shown in the Corporation's records;
- (v) "Registrar" means the Registrar of Corporations appointed under the ABCA;
- (l) "**Regulations**" means the Regulations, as amended, in force from time to time under the ABCA; and
- (m) "**Shareholder**" means a shareholder of the Corporation.

1.2 Interpretation

In the By-laws, except if defined in this section or the context does not permit:

- (a) words and expression defined or used in the ABCA have the meaning or use given to them in the ABCA;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing gender include masculine, feminine and neuter genders; and
- (d) words importing persons include bodies corporate.

1.3 Headings

The headings used in the By-laws are inserted for convenience of reference only. The headings are not to be considered or taken into account in construing the terms of the By-laws nor are they to be deemed in any way to clarify, modify or explain the effect of any term of the By-laws.

1.4 By-laws Subject to the ABCA

The By-laws are subject to the ABCA and the Regulations, to any unanimous shareholder agreement and to the Articles, in that order.

SECTION 2 BUSINESS OF THE CORPORATION

2.1 Execution of Documents

Documents may be executed on behalf of the Corporation in the manner and by the persons the Board may designate by resolution, including the use of electronic reproductions of signatures and the use of a corporate seal or an electronic reproduction thereto.

Wherever a notice, document or other information is required under the ABCA or the By-laws to be created or provided in writing, that requirement may be satisfied by the creation or provision, respectively, of an electronic document, including by electronic means in accordance with the provisions of the ABCA.

2.2 Cheques, Drafts and Notes

Cheques, drafts or orders for the payment of money, notes, acceptances and bills of exchange must be signed in the manner and by the persons the Board may designate by resolution.

2.3 Corporate Seal

The Board may, by resolution, adopt a corporate seal containing the name of the Corporation as the corporate seal. A document issued by or executed on behalf of the Corporation is not

invalid only because the corporate seal is not affixed to that document. A document requiring authentication by the Corporation does not need to be under seal.

2.4 Banking Arrangements

The Board may open any bank accounts the Corporation may require at a financial institution designated by resolution of the Board. The Board may adopt, authorize, execute or deposit any document furnished or required by the financial institution and may do any other thing as may be necessarily incidental to the banking and financial arrangements of the Corporation.

2.5 Voting Rights in Other Bodies Corporate

The persons designated by the Board to execute documents on behalf of the Corporation may execute and deliver instruments of proxy and arrange for the issue of voting certificates or other evidence of the right to exercise voting rights attached to any securities held by the Corporation in another body corporate. The instruments, certificates or other evidence shall be in favour of the person that is designated by the persons executing the instruments of proxy or arranging for the issue of voting certificates or other evidence of the right to exercise voting rights. In addition, the Board may direct the manner in which and the person by whom any particular voting right or class of voting rights may be exercised.

2.6 Withholding Information from Shareholders

No Shareholder is entitled to obtain any information respecting any detail or conduct of the Corporation's business which, in the opinion of the Board, would not be in the best interests of the Shareholders or the Corporation to communicate to the public.

The Board may determine whether and under what conditions the accounts, records and documents of the Corporation are open to inspection by the Shareholders. No Shareholder has a right to inspect any account, record or document of the Corporation except as conferred by the ABCA or authorized by resolution of the Board or by resolution passed at a meeting of Shareholders.

2.7 Divisions

The Board may cause any part of the business and operations of the Corporation to be segregated or consolidated into one or more divisions upon the basis the Board considers appropriate. Any division may be designated by the name the Board determines and may transact business under that name. The name of the Corporation must be set out in legible characters in and on all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of any division of the Corporation.

SECTION 3 BORROWING

3.1 Borrowing Power

Without limiting the borrowing power of the Corporation provided by the ABCA, the Board may from time to time on behalf of the Corporation, without authorization of the Shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the ABCA, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, notes or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

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

The Board may, by resolution, from time to time delegate to a committee of the Board, one or more of the directors and/or one or more of the officers of the Corporation or any other person or persons as may be designated by the Board, all or any of the powers conferred on the Board by this section to such extent and in such manner as the Board may determine at the time of such delegation.

The powers hereby conferred are in supplement of and not in substitution for any powers possessed by the directors or officers of the Corporation independently of these By-laws.

SECTION 4 DIRECTORS

4.1 Management of Business

The Board shall manage the business and affairs of the Corporation. Every Director must comply with the ABCA, the Regulations, the Articles and the By-laws.

4.2 Qualification

The following persons are disqualified from being a Director:

- (a) anyone who is less than 18 years of age;
- (b) anyone who
 - (i) is a represented adult as defined in the *Adult Guardianship and Trusteeship Act* or is the subject of a certificate of incapacity that is in effect under the *Public Trustee Act*,
 - (ii) is a formal patient as defined in the *Mental Health Act*,
 - ~~(iii) is the subject of an order under *The Mentally Incapacitated Persons Act*, RSA 1970 c232, appointing a committee of the person or estate, or both, or~~
 - (iii) ~~(iv)~~ has been found to be a person of unsound mind by a court elsewhere than in Alberta;
- (c) a person who is not an individual;
- (d) a person who has the status of bankrupt.

A Director is not required to hold shares issued by the Corporation.

4.3 Number of Directors

The Board is to consist of that number of Directors permitted by the Articles. In the event the Articles permit a minimum and maximum number of Directors, the Board is to consist of the number of Directors the Shareholders determine by ordinary resolution. The number of Directors at any one time may not be less than the minimum or more than the maximum number permitted by the Articles.

4.4 Increase Number

The Shareholders may amend the Articles to increase the number, or the minimum or maximum number, of Directors. Upon the adoption of an amendment increasing the number or minimum number of Directors, the Shareholders may, at the meeting at which they adopt the amendment, elect the additional number of Directors authorized by the amendment. Upon the issue of a certificate of amendment, the Articles are deemed to be amended as of the date the Shareholders adopted the amendment.

4.5 Decrease Number

The Shareholders may amend the Articles to decrease the number, or the minimum or maximum number, of Directors. No decrease shortens the term of an incumbent Director.

4.6 Election and Term

Each Director named in the notice of directors filed at the time of incorporation holds office from the issue of the certificate of incorporation until the first meeting of Shareholders. The Shareholders are to elect Directors by ordinary resolution at the first meeting of Shareholders and at each succeeding annual meeting at which an election of Directors is required. The elected Directors are to hold office for a term expiring not later than the close of the next annual meeting of Shareholders following the election. A Director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of Shareholders following the Directors' election. If Directors are not elected at a meeting of Shareholders, the incumbent Directors continue in office until their respective successors are elected.

4.7 Advanced Notice

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

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

requisition of the Shareholders made in accordance with the provisions of the ABCA; or

- (c) by any person (a “**Nominating Shareholder**”) (A) who, at the close of business on the date of the giving of the notice provided for below in this Section 4.7 and on the record date for the notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting, or who beneficially owns shares that are entitled to be voted at such vote at such meeting, and (B) who complies with the notice procedures set forth below in this Section 4.7:
- (i) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Chief Executive of the Corporation at the registered office of the Corporation in accordance with this Section 4.7.
 - (ii) To be timely, a Nominating Shareholder’s notice to the Chief Executive of the Corporation must be made in the case of an annual meeting of Shareholders or a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not less than 15 days prior to the date of the meeting of Shareholders. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph. In no event shall any adjournment or postponement of a meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.
 - (iii) To be in proper written form, a Nominating Shareholder’s notice to the Chief Executive of the Corporation must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person for the most recent five years, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the ABCA and Applicable Securities Laws (as that term is defined below) and (E) if the shares of the Corporation trade on a stock exchange, a personal information form in the form prescribed by the principal stock exchange on which the shares of the Corporation are traded; and (b) as to the Nominating Shareholder

giving the notice, any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the ABCA and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation.

- (iv) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 4.7; provided, however that nothing in this Section 4.7 shall be deemed to preclude discussions by a Shareholder (as distinct from nominating directors) at a meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the ABCA. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (v) For purposes of this Section 4.7, "Applicable Securities Laws" means the *Securities Act* (Alberta) and the equivalent legislation in the other provinces of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces of Canada.
- (vi) Notice given to the Chief Executive of the Corporation pursuant to this Section 4.7 may only be given by personal delivery, ~~facsimile transmission~~ or by email (at such email address as stipulated from time to time by the Chief Executive of the Corporation for the purpose of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, or email (at the address as aforesaid) ~~or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received)~~ to the Chief Executive at the address of the registered office of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such a delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

4.8 Removal of Directors

The Shareholders may by ordinary resolution passed at a special meeting of Shareholders remove a Director from office. Any vacancy created by the removal of a Director may be filled at the meeting at which the Director was removed, failing which the vacancy may be filled by a quorum of Directors.

4.9 Consent

No election or appointment of an individual as a Director is effective unless:

- (a) the individual was present at the meeting when elected or appointed and did not refuse to act as Director; or
- (b) if the individual was not present at the meeting when elected or appointed as a Director, the individual:
 - (i) consented in writing to act as a Director before the individual's election or appointment or within 10 days after it; or
 - (ii) has acted as a Director pursuant to the election or appointment.

A person who is elected or appointed a director and refuses or fails to consent or act is deemed not to have been elected or appointed a Director.

4.10 Ceasing to Hold Office A Director ceases to hold office when:

- (a) the Director dies or resigns;
- (b) the Director is removed from office by the Shareholders who elected the Director; or
- (c) the Director ceases to be qualified for election as a Director under subsection 4.2.

A Director's resignation is effective at the time a written resignation is sent to the Corporation, or at the time specified in the resignation, whichever is later.

4.11 Filling Vacancies

A quorum of Directors may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or minimum number of Directors or from a failure to elect the number or minimum number of Directors required by the Articles. If there is not a quorum of Directors, or if there has been a failure to elect the number or minimum number of Directors required by the Articles, the Directors then in office must immediately call a special meeting of Shareholders to fill the vacancy. If the Directors fail to call a meeting, or if there are no Directors then in office, the meeting may be called by any Shareholder.

4.12 Remuneration and Expenses

The Directors are entitled to receive remuneration for their services in the amount the Board determines. Subject to the Board's approval, the Directors are also entitled to be reimbursed for travelling and other expenses incurred by them in attending meetings of the Board or any committee of Directors or in the performance of their duties as Directors.

Nothing contained in the By-laws precludes a Director from serving the Corporation in another capacity and receiving remuneration for acting in that other capacity.

4.13 Annual Financial Statements

The Board must place before the Shareholders at every annual meeting of Shareholders financial statements which have been approved by the Board as evidenced by the signature of one or more of the Directors, the report of the auditor, if applicable and any further information respecting the financial position of the Corporation and the results of its operations that is required by the ABCA, the Regulations, the Articles, the By-laws or any unanimous shareholder agreement.

SECTION 5 MEETING OF DIRECTORS

5.1 Calling Meetings

The ~~Chairperson~~Chair of the Board or any Director may call a meeting of Directors. A meeting of Directors or a committee of Directors may be held within or outside of Alberta at the time and place indicated in the notice referred to in subsection 5.2.

5.2 Notice

Notice of each meeting of the Board shall be given in the manner provided in the ABCA to each Director not less than twenty-four (24) hours before the time when the meeting is to be held, provided that, if a quorum of Directors is present, the Board may without notice hold a meeting immediately following an annual meeting of Shareholders. Notice of a meeting of the Board may be given verbally, in writing or by electronic means, telephone or any other means of communication. A notice of a meeting of Directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the ABCA.

5.3 Notice of Adjourned Meeting

Notice of an adjourned meeting of Directors is not required if a quorum is present at the original meeting and if the time and place of the adjourned meeting is announced at the original meeting. If a meeting is adjourned because a quorum is not present, notice of the time and place of the adjourned meeting must be given as for the original meeting. The adjourned meeting may proceed with the business to have been transacted at the original meeting, even though a quorum is not present at the adjourned meeting.

5.4 Meetings Without Notice

No notice of a meeting of Directors or of a committee of Directors needs to be given:

- (a) to a newly elected Board following its election at an annual or special meeting of Shareholders; or
- (b) for a meeting of Directors at which a Director is appointed to fill a vacancy in the Board, if a quorum is present.

5.5 Waiver of Notice

A Director may waive, in any manner, notice of a meeting of Directors or of a committee of Directors. Attendance of a Director at a meeting of Directors or of a committee of Directors is a waiver of notice of the meeting, except when the Director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

5.6 Quorum

The Directors may fix the quorum for meetings of Directors or of a committee of Directors, but unless so fixed, a majority of the Directors or of a committee of Directors constitutes a quorum.

5.7 Regular Meetings

The Board may from time to time fix a day or days in any month or months for regular meetings of the Board at a place and hour to be named, in which case, provided that a copy of any such resolution is sent to each Director forthwith after being passed and forthwith after each Director's appointment, no other notice shall be required for any such regular meeting, except where the ABCA requires specification of the purpose or the business to be transacted thereat.

5.8 ~~Chairperson~~Chair of Meetings

The ~~chairperson~~chair of any meeting of Directors is the first mentioned of the following Officers (if appointed) who is a Director and is present at the meeting: ~~Chairperson~~Chair of the Board or

President. If none of the foregoing Officers are present, the Directors present may choose one of their number to be ~~chairperson~~chair of the meeting.

5.9 Decision on Questions

Every resolution submitted to a meeting of Directors or of a committee of Directors must be decided by a majority of votes cast at the meeting. In the case of an equality of votes, the ~~chairperson~~chair does not have a casting vote.

5.10 Meeting by Telephone

If all the Directors consent, a Director may participate in a meeting of Directors or of a committee of Directors by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A Director participating in a meeting by means of telephone or other communication facilities is deemed to be present at the meeting.

5.11 Resolution in Lieu of Meeting

A resolution in writing signed by all the Directors entitled to vote on that resolution at a meeting of Directors or committee of Directors is as valid as if it had been passed at a meeting of Directors or committee of Directors. A resolution in writing takes effect on the date it is expressed to be effective.

A resolution in writing may be signed in one or more counterparts, all of which together constitute the same resolution. A counterpart signed by a Director and transmitted by ~~facsimile~~electronic means or other ~~device~~means capable of transmitting a printed message is as valid as an originally signed counterpart.

SECTION 6 OFFICERS AND APPOINTEES OF THE BOARD

6.1 Appointment of Officers

The Directors may designate the offices of the Corporation, appoint as officers individuals of full capacity, specify their duties and delegate to them powers to manage the business and affairs of the Corporation. Unless required by the By-laws, an Officer does not have to be a Director. The same individual may hold two or more offices of the Corporation.

6.2 Term of Office

An Officer holds office from the date of the Officer's appointment until a successor is appointed or until the Officer's resignation or removal. An officer may resign by giving written notice to the Board. All Officers are subject to removal by the Board, with or without cause.

6.3 Duties of Officers

An Officer has all the powers and authority and must perform all the duties usually incident to, or specified in the By-laws or by the Board, for the office held.

6.4 Remuneration

The Officers are entitled to receive remuneration for their services in the amount the Board determines.

6.5 ~~Chairperson~~Chair of the Board

If appointed and present at the meeting, the ~~Chairperson~~Chair of the Board presides at all meetings of Directors, committees of Directors and, in the absence of the President, at all meetings of Shareholders. The ~~Chairperson~~Chair of the Board must be a Director.

6.6 President

If appointed, the President is the chief executive officer of the Corporation responsible for the management of the business and affairs of the Corporation. The President may not preside as ~~chairperson~~chair at any meeting of the Directors or of any committee of Directors unless the President is a Director.

6.7 Vice-President

During the absence or disability of the President, or if no President has been appointed, the Vice-President, if appointed or, if there is more than one, the Vice-President designated by the Board, exercises the functions of the office of the President.

6.8 Secretary

If appointed, the Secretary shall call meetings of the Directors or of a committee of Directors at the request of a Director. The Secretary shall attend all meetings of Directors, of committees of Directors and of Shareholders and prepare and maintain a record of the minutes of the proceedings. The Secretary is the custodian of the corporate seal, the minute book and all records, documents and instruments belonging to the Corporation.

6.9 Treasurer

If appointed, the Treasurer is responsible for the preparation and maintenance of proper accounting records, the deposit of money, the safe-keeping of securities and the disbursement of funds of the Corporation. The Treasurer must render to the Board an account of all financial transactions of the Corporation upon request.

6.10 Agents and Attorneys

The Board has the power to appoint agents or attorneys for the Corporation in or outside of Canada with any power the Board considers advisable.

SECTION 7 CONFLICT OF INTEREST

7.1 Disclosure of Interest

A Director or Officer who:

- (a) is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation; or

- (b) is a director or an officer of or has a material interest in any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation ~~must,~~
- ~~(b)~~ shall disclose in writing to the Corporation or request to have entered in the minutes of meetings of ~~the~~ Directors the nature and extent of the Director's or Officer's interest.

7.2 If Approval and Voting

~~A Director or Officer must a material contract or material transaction or proposed material contract or proposed material transaction is one that, in the ordinary course of the Corporation's business, would not require approval by the directors or shareholders, a director or officer shall disclose in writing to the Corporation, or request to have entered in the minutes of meetings of Directors directors, the nature and extent of the Director's or Officer's interest in a material contract or proposed material contract if the contract is one that in the ordinary course of the Corporation's business would not require approval by the Board or the Shareholders. The disclosure must be made immediately after the Director or Officer director's or officer's interest forthwith after the director or officer becomes aware of the contract or transaction or proposed contract or transaction.~~

This section applies to a person acting in the capacity of a director or officer of the Corporation as if that person were a Director or Officer.

7.2 Voting

-A Director who is required to disclose an interest in a material contract or proposed material contract ~~may~~shall not vote on any resolution to approve the contract unless the contract is:

- (a) ~~an arrangement by way of security for money lent to or obligations undertaken by the Director, or by a body corporate in which the Director has an interest, for the benefit of the Corporation or an affiliate;~~
- (a) a contract or transaction in which, but only to the extent that, the Director undertakes an obligation or obligations for the benefit of the corporation;
- (b) a contract or transaction relating primarily to the Director's remuneration as a Director ~~or~~ Officer, employee or agent of the Corporation ~~or as a director, officer, employee or agent of corporation~~ or an affiliate;
- (c) a contract for indemnity or insurance under the ABCA; or
- (d) a contract or transaction with an affiliate.

7.3 Effect of Conflict of Interest

If a material contract or material transaction is made between the Corporation and ~~a Director or Officer~~ one or more of its Directors or Officers, or between the Corporation and another person of which a Director or Officer of the Corporation is a director or officer or in which the Director or Officer has a material interest, ₂

~~(a)~~ (a) the contract or transaction is neither void nor voidable by reason only of that relationship, or by reason only that a Director with an interest in the contract or transaction is present at or is counted to determine the presence of a quorum at a meeting of Directors or committee of Directors that authorized the contract or transaction, and

~~(b)~~ (b) a Director or Officer or former Director or Officer director or officer of the Corporation to whom a profit accrues as a result of the making of the contract or transaction is not liable to account to the Corporation for that profit by reason only of holding office as a Director or Officer, ~~and~~ ₂

~~(c)~~ if the Director or Officer disclosed the Director's or Officer's interest in the contract in the manner prescribed by the ABCA and the contract or transaction was approved by the Board Directors or the Shareholders and it was reasonable and fair to the Corporation at the time it was approved, ₂

Even if the conditions of this section 7.3 are not met, a Director or Officer acting honestly and in good faith is not accountable to the Corporation or to its Shareholders for any profit realized from a material contract or material transaction for which disclosure is required, and the material contract or material transaction is not void or voidable by reason only of the interest of the Director or Officer in the material contract or material transaction, if (i) the material contract or material transaction was approved or confirmed by special resolution at a meeting of the Shareholders, (ii) disclosure of the interest was made to the Shareholders in a manner sufficient to indicate its nature before the material contract or material transaction was approved or confirmed, and (iii) the material contract or material transaction was reasonable and fair to the Corporation when it was approved or confirmed.

SECTION 8 LIABILITY AND INDEMNIFICATION

8.1 Limitation of Liability

Every Director and Officer in exercising the powers and discharging the duties of office must act honestly and in good faith with a view to the best interests of the Corporation and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No Director or Officer is liable for:

(a) the acts, omissions or defaults of any other Director or Officer or an employee of the Corporation;

- (b) any loss, damage or expense incurred by the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation;
- (c) the insufficiency or deficiency of any security in or upon which any of the money of the Corporation is invested;
- (d) any loss or damage arising from the bankruptcy, insolvency or tortious or criminal acts of any person with whom any of the Corporation's money is, or securities or other property are, deposited;
- (e) any loss occasioned by any error of judgment or oversight; or
- (f) any other loss, damage or misfortune which occurs in the execution of the duties of office or in relation to it

unless occasioned by the willful neglect or default of that Director or Officer. Nothing in these By-laws relieve any Director or Officer of any liability imposed by the ABCA or otherwise by law.

8.2 Indemnity

The Corporation shall indemnify a Director or Officer, a former Director or Officer and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a Shareholder or creditor (the "**Indemnified Parties**") and the heirs and legal representatives of each of them, against all costs, charges and expenses, which includes, without limiting the generality of the foregoing, the fees, charges and disbursements of legal counsel on an as-between-a-solicitor-and-the-solicitor's-own-client basis and an amount paid to settle an action or satisfy a judgment, reasonably incurred by an Indemnified Party, or the heirs or legal representatives of an Indemnified Party, or both, in respect of any action or proceeding to which any of them is made a party by reason of an Indemnified Party being or having been a Director or Officer or a director or officer of that body corporate, if:

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

The Corporation shall indemnify an Indemnified Party and the heirs and legal representatives of an Indemnified Party in any other circumstances that the ABCA permits or requires. Nothing in these By-laws limit the right of a person entitled to indemnity to claim indemnity apart from the provisions of these By-laws.

8.3 Insurance

The Corporation may purchase and maintain insurance for the benefit of a person referred to in subsection 8.2 against the liabilities and in the amounts the ABCA permits and the Board approves.

SECTION 9 SECURITIES

9.1 Shares

Shares of the Corporation may be issued at the times, to the persons and for the consideration the Board determines. No share may be issued until the consideration for the share is fully paid in money or in property or past service that is not less in value than the fair equivalent of the money that the Corporation would have received if the share had been issued for money.

9.2 Options and Other Rights to Acquire Securities

The Corporation may issue certificates, warrants or other evidences of conversion privileges, options or rights to acquire securities of the Corporation. The conditions attached to the conversion privileges, options and rights must be set out in the certificates, warrants or other evidences or in certificates evidencing the securities to which the conversion privileges, options or rights are attached.

9.3 Commissions

The Board may authorize the Corporation to pay a reasonable commission to any person in consideration of that person 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 shares of the Corporation.

9.4 Securities Register

The Corporation shall maintain at its records office a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities:

- (a) the names, alphabetically arranged and the latest known address of each person who is or has been a security holder;
- (b) the number of securities held by each security holder; and
- (c) the date and particulars of the issue and transfer of each security.

9.5 Transfer Agents and Registrars

The Corporation may appoint one or more trust corporations as its agent to maintain a central securities register. An agent may be designated as a transfer agent and a registrar, according to the agent's function. An agent's appointment may be terminated at any time. The Board may provide for the registration or transfer of securities by a transfer agent or registrar.

9.6 Dealings with Registered Holders

The Corporation may treat the registered owner of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of an owner of the security.

9.7 Transfers of Securities

Securities of the Corporation may be transferred in the form of a transfer endorsement on the security certificates issued in respect of the securities of the Corporation, or in any form of transfer endorsement which may be approved by resolution of the Board.

9.8 Registration of Transfers

If a security in registered form is presented for registration of transfer, the Corporation must register the transfer if:

- (a) the security is endorsed by the person specified by the security or by special endorsement to be entitled to the security or by the person's successor, fiduciary, survivor, attorney or authorized agent, as the case may be;
- (b) reasonable assurance is given that the endorsement is genuine and effective;
- (c) the Corporation has no duty to inquire into adverse claims, or has discharged its duty to do so;
- (d) any applicable law relating to the collection of taxes has been complied with;
- (e) the transfer is rightful or is to a bona fide purchaser; and
- (f) the fee prescribed by the Board for a security certificate issued in respect of a transfer has been paid.

9.9 Lien

If the Articles provide that the Corporation has a lien on a share registered in the name of a Shareholder or the Shareholder's legal representative for a debt of the Shareholder to the Corporation, and the Shareholder is indebted to the Corporation, the Corporation may refuse to register any transfer of the holder's shares pending enforcement of the lien.

9.10 Security Certificates

Security certificates and acknowledgements of a security holder's right to obtain a security certificate must be in a form the Board approves by resolution. A security certificate must be signed by at least one Director or Officer. Unless the Board otherwise determines, security certificates representing securities in respect of which a transfer agent or registrar has been appointed are not valid unless countersigned by or on behalf of the transfer agent or registrar. Any signature may be printed or otherwise mechanically reproduced on a security certificate. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding, that the person has ceased to be a Director or Officer, and the security certificate is as valid as if the person were a Director or Officer at the date of issue.

9.11 Entitlement to a Security Certificate

A security holder is entitled at the holder's option to a security certificate or to a non-transferable written acknowledgment of the holder's right to obtain a security certificate from the Corporation in respect of the securities of the Corporation held by that holder.

9.12 Securities Held Jointly

The Corporation is not required to issue more than one security certificate in respect of securities held jointly by several persons. Delivery of certificate to one of the joint holders is sufficient delivery to all of them. Any one of the joint holders may give effectual receipts for the certificate issued in respect of the securities or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of the security.

9.13 Replacement of Security Certificates

The Board or an Officer or agent designated by the Board may in its or the Officer's or agent's discretion direct the issue of a new security certificate in place of a certificate that has been lost, destroyed or wrongfully taken. A new security certificate may be issued only on payment of a reasonable fee and on any terms as to indemnity, reimbursement of expenses and evidence of loss of title as the Board may prescribe.

9.14 Fractional Shares

The Corporation may issue a certificate for a fractional share or may issue in its place scrip certificates in a form that entitles the holder to receive a certificate for a full share by exchanging scrip certificates aggregating a full share. The Directors may attach conditions to any scrip certificates issued by the Corporation, including conditions that:

- (a) the scrip certificates become void if they are not exchanged for a share certificate representing a full share before a specified date; and
- (b) any shares for which those scrip certificates are exchangeable may, notwithstanding any pre-emptive right, be issued by the Corporation to any

person and the proceeds of those shares distributed rateably to the holders of the scrip certificates.

SECTION 10 MEETING OF SHAREHOLDERS

10.1 Annual Meeting of Shareholders

The Board must call an annual meeting of Shareholders to be held not later than 18 months after the date of incorporation and subsequently, not later than 15 months after holding the last preceding annual meeting. An annual meeting is to be held for the purposes of considering the financial statements and auditor's report, fixing the number of Directors for the following year, electing Directors, appointing an auditor and transacting any other business that may properly be brought before the meeting.

10.2 Special Meetings of Shareholders

The Board may at any time call a special meeting of Shareholders.

10.3 Special Business

All business transacted at a special meeting of Shareholders and all business transacted at an annual meeting of Shareholders, except consideration of the financial statements and auditor's report, fixing the number of Directors for the following year, election of Directors and reappointment of the incumbent auditor, is deemed to be special business.

10.4 Place and Time of Meetings

Meetings of Shareholders may be held at the place within Alberta and at the time the Board determines. A meeting of Shareholders may be held outside Alberta if all the Shareholders entitled to vote at that meeting agree to hold the meeting outside Alberta. A Shareholder who attends a meeting of Shareholders held outside Alberta is deemed to have agreed to holding the meeting outside Alberta, except when the Shareholder attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

10.5 Notice of Meetings

Notice of the time and place of a meeting of Shareholders must be sent not less than 21 days and not more than 50 days before the meeting to:

- (a) each Shareholder entitled to vote at the meeting;
- (b) each Director; and
- (c) the auditor of the Corporation, if applicable.

Notice of a meeting of Shareholders called for the purpose of transacting any business other than consideration of the financial statements and auditor's report, fixing, the number of Directors for the following year, election of Directors and reappointment of the incumbent auditor must state the nature of the business to be transacted in sufficient detail to permit a Shareholder to form a reasoned judgment on that business and must state the text of any special resolution to be submitted to the meeting.

10.6 Notice of Adjourned Meetings

With the consent of the Shareholders present at the meeting of Shareholders, the ~~chairperson~~ chair may adjourn that meeting to another fixed time and place. If a meeting of Shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days, it is not necessary to give notice of the adjourned meeting, other than by verbal announcement at the time of the adjournment. If a meeting of Shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given as for the original meeting. The adjourned meeting, may proceed with the business to have been transacted at the original meeting, even though a quorum is not present at the adjourned meeting.

10.7 Waiver of Notice

A Shareholder and any other person entitled to attend a meeting, of Shareholders may waive in any manner notice of a meeting of Shareholders. Attendance of a Shareholder or other person at a meeting of Shareholders is a waiver of notice of the meeting, except when the Shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8 Shareholder List

~~If the Corporation has more than 15 Shareholders entitled to vote at a meeting of Shareholders, the~~ The Corporation must prepare a list of Shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each Shareholder

- (a) if a Record Date is fixed, not later than 10 days after that date; or
- (b) if no Record Date is fixed:
 - (i) at the close of business on the last business day preceding the day on which the notice is given; or
 - (ii) if no notice is given, on the day on which the meeting, is held.

A Shareholder may examine the list of Shareholders:

- (c) during usual business hours at the Corporation's records office or at the place where its central securities register is maintained; or

- (d) at the meeting of Shareholders for which the list was prepared.

10.9 Persons Entitled to Vote

A person named in a list of Shareholders is entitled to vote the shares shown opposite the person's name at the meeting to which the list relates, except to the extent that if a Record Date is fixed, the person transfers ownership of any of the person's shares after the Record Date; or if no Record Date is fixed, the person transfers ownership of any of the person's shares after the date on which the list of Shareholders is prepared; and provided that the transferee of those shares:

- (a) produces properly endorsed share certificates; or
- (b) otherwise establishes ownership of the shares; and
- (c) demands, not later than 10 days before the meeting, that the transferee's name be included in the list before the meeting

then the transferee is entitled to vote the shares.

10.10 ~~Chairperson~~Chair of Meetings

The ~~chairperson~~chair of any meeting of Shareholders is the first mentioned of the following officers (if appointed) who is present at the meeting: President or ~~Chairperson~~Chair of the Board. If none of the foregoing Officers are present, the Shareholders present and entitled to vote at the meeting may choose a ~~chairperson~~chair from among those individuals present.

10.11 Scrutineer

If desired, one or more scrutineers, who need not be Shareholders, may be appointed by resolution or by the ~~chairperson~~chair of the meeting, with the consent of the meeting.

10.12 Procedure at Meetings

The ~~chairperson~~chair of any meeting of Shareholders shall conduct the proceedings at the meeting in all respects. The ~~chairperson's~~chair's decision on any matter or thing relating to procedure, including, without limiting the generality of the foregoing, any question regarding the validity of any instrument of proxy or other evidence of authority to vote, is conclusive and binding upon the Shareholders.

10.13 Persons Entitled to be Present

The only person entitled to be present at a meeting of Shareholders are:

- (a) the Shareholders entitled to vote at the meeting;
- (b) the Directors;

- (c) the auditor of the Corporation, if applicable; and
- (d) any others who, although not entitled to vote, are entitled or required under any provision of the ABCA, any unanimous shareholder agreement, the Articles or the By-laws to be present at the meeting.

Any other person may be admitted only on the invitation of the ~~chairperson~~chair of the meeting or with the consent of the meeting.

10.14 Quorum

A quorum for the transaction of business at any meeting of Shareholders shall be at least two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled, and representing in the aggregate not less than five percent (5%) of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one Shareholder of the Corporation entitled to vote at any meeting of Shareholders, the quorum for the transaction of business at the meeting of Shareholders shall consist of the one Shareholder. If any share entitled to be voted at a meeting of Shareholders is held by two or more persons jointly, the persons or those of them who attend the meeting of Shareholders constitute only one Shareholder for the purpose of determining whether a quorum of Shareholders is present.

10.15 Loss of Quorum

If a quorum is present at the opening of a meeting of Shareholders, the Shareholders present or represented by proxy may proceed with the business of the meeting, even if a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Shareholders, the Shareholders present or represented by proxy may adjourn the meeting to a fixed time and place but may not transact any other business.

10.16 Proxy Holders and Representatives

A Shareholder entitled to vote at a meeting of Shareholders may by means of a proxy appoint a proxy holder and one or more alternate proxy holders, who are not required to be Shareholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy must be executed by the Shareholder or by the Shareholder's attorney authorized in writing and be in the form prescribed by the Regulations. A proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

A Shareholder that is a body corporate or association may, by resolution of its directors or governing body, authorize an individual to represent it in person at a meeting of Shareholders. That individual's authority may be established by depositing with the Corporation, prior to the commencement of the meeting, a certified copy of the resolution passed by the Shareholder's directors or governing body or other evidence of the

individual's authority to vote. A resolution or other evidence of authority to vote is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

10.17 Time for Deposit of Proxies

The Board may specify in a notice calling a meeting of Shareholders a time not exceeding 48 hours, excluding Saturdays and holidays, preceding the meeting or an adjournment of the meeting before which proxies to be used at the meeting must be deposited with the Corporation or its agent. If no time for the deposit of proxies has been specified in a notice calling a meeting of Shareholders, a proxy to be used at the meeting must be deposited with the Secretary of the Corporation or the ~~chairperson~~chair of the meeting prior to the commencement of the meeting.

10.18 Revocation of Proxies

A Shareholder may revoke a proxy:

- (a) by depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing:
 - (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or an adjournment of that meeting, at which the proxy is to be used; or
 - (ii) with the ~~chairperson~~chair of the meeting on the day of the meeting or an adjournment of that meeting; or
- (b) in any other manner permitted by law.

10.19 Joint Shareholders

If two or more persons hold shares jointly, one of those holders present at a meeting of Shareholders may, in the absence of the others, vote the shares. If two or more of those persons are present in person or by proxy, they must vote as one on the shares jointly held by them.

10.20 Decision on Questions

At every meeting of Shareholders, all questions proposed for the consideration of Shareholders must be decided by the majority of votes, unless otherwise required by the ABCA or the Articles. In the case of an equality of votes, the ~~chairperson~~chair of the meeting does not, either on a show of hands or verbal poll or on a ballot, have a casting vote in addition to the vote or votes to which the ~~chairperson~~chair may be entitled as a Shareholder or proxy holder.

10.21 Voting by Show of Hands

Subject to subsection 10.22, voting, at a meeting of Shareholders shall be by a show of hands of those present in person or represented by proxy or by a verbal poll of those present by telephone or other communication facilities. When a vote by show of hands has been taken upon a question, a declaration by the ~~chairperson~~ chair of the meeting that the vote has been carried, carried by a particular majority or not carried, an entry to that effect in the minutes of the meeting is conclusive evidence of the number of votes recorded in favor of or against any resolution or other proceeding in respect of the question.

10.22 Voting by Ballot

If a ballot is required by the ~~chairperson~~ chair of the meeting or is demanded by a Shareholder or proxy holder entitled to vote at the meeting, either before or on the declaration of the result of a vote by a show of hands or verbal poll, voting must be by ballot. A demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is taken on a question, a prior vote on that question by show of hands or verbal poll has no effect.

10.23 Number of Votes

At every meeting a Shareholder present in person or represented by proxy or present by telephone or other communication facilities and entitled to vote has one vote for each share held.

10.24 Meeting by Telephone, Electronic or Other Communication Facility

- (a) Any person described in subsection 10.13 ~~not physically present at a meeting of Shareholders~~ may participate in a meeting of Shareholders by means of ~~telephone~~ telephonic, electronic or other communication facilities that ~~permit all~~ facility that permits all participants to communicate adequately with each other during the meeting if the Corporation makes available such a communication facility. Such persons participating in ~~the meeting to hear each other~~. A Shareholder participating in a meeting by means of telephone or other communication facilities is deemed a meeting of Shareholders being conducted by means of such communications facility shall be deemed for the purposes of the ABCA and the By-laws to be present in person at the meeting of Shareholders.
- (b) Subject to the ABCA and any guidelines or procedures adopted by the directors, the directors may determine, in their sole discretion, that:
 - (i) a meeting of Shareholders may be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting;
 - (ii) voting at a meeting of Shareholders may be carried out by means of a telephonic, electronic or other communication facility that the Corporation

has made available for that purpose if the facility enables the votes to be gathered in a manner that permits their subsequent verification, and permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how the person voted; and

- (iii) for the purpose of subsections 10.21 and 10.22, if at any meeting the Corporation has made available to Shareholders the means to vote electronically by telephone, electronic means or other communication facility for a vote: (i) by show of hands, any such vote made electronically shall be included in tallying any votes by show of hands; and (ii) by ballot, any such vote made electronically shall be included in tallying the ballots.

10.25 Resolution in Lieu of Meeting

A resolution in writing, signed by all the Shareholders entitled to vote on that resolution at a meeting of Shareholders is as valid as if it had been passed at a meeting of Shareholders. A resolution in writing takes effect on the date it is expressed to be effective.

A resolution in writing may be signed in one or more counterparts, all of which together constitute the same resolution. A counterpart signed by a Shareholder and transmitted by facsimile, electronic means or other device means capable of transmitting a printed message is as valid as an originally signed counterpart.

SECTION 11 NOTICE

11.1 Notice to Directors, Officers, Shareholders and Auditors

For any notice, document or other information required to be sent to a Director, Officer, auditor or member of a committee of the board under the ABCA, the regulations, the articles or the By-laws, such notice may be sent either: (a) by hand delivery, prepaid transmitted or recorded communication, through the mail, or by a nationally recognized overnight delivery service for next day delivery, in each case to such person's Recorded Address; or (b) by means of e-mail or other form of electronic transmission.

Unless the ABCA or the By-laws provide otherwise, any notice, document or other information required or permitted by the ABCA, the regulations, the articles or the By-laws to be sent to a Shareholder, may be sent by any one of the following methods: (w) by hand delivery, prepaid transmitted or recorded communication, through the mail, or by a nationally recognized overnight delivery service for next day delivery, in each case to such Shareholder's Recorded Address; (x) by means of e-mail, or other form of electronic transmission; (y) by providing or posting the notice, document or other information on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice, document or other information to the Shareholder via any of the methods specified in (w) and (x) above, including by mail, delivery, e-mail or other form of electronic transmission in accordance with the provisions of the ABCA; or (z) by any other method permitted by applicable law.

11.2 Receipt of Notice to Directors, Officers and Auditors

A notice to a Director, Officer or auditor of the Corporation will be deemed to be received as follows:

- (a) if given in person, when actually received by the Director, Officer or the auditor;
- (b) if sent through the mail, at the time it would be delivered in the ordinary course of the mail;
- (c) if sent for next day delivery by a nationally recognized overnight delivery service, when delivered to such service;
- (d) if sent by email, when sent to the email address for such Director, Officer or auditor of the Corporation appearing in the records of the Corporation; or
- (e) if sent by another form of electronic communication, when sent to the address, location or number for such Director, Officer or auditor of the Corporation appearing on the records of the Corporation.

11.3 ~~11.1 Method~~Receipt of Notice to Shareholders

~~A notice or document required to be sent to a Shareholder, Director, Officer or auditor of the Corporation, if applicable may be given by personal delivery, prepaid transmitted or recorded communication or prepaid mail addressed to the recipient at the recipients Recorded Address. A notice or document sent by personal delivery is deemed to be given when it is actually delivered. A notice or document sent by means of prepaid transmitted or recorded communication is deemed to be given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. A notice or document sent by mail is deemed to be given when deposited at a post office or in a public letter box.~~

A notice to a Shareholder will be deemed to be received as follows:

- (a) if given in person, when actually received by the Shareholder;
- (b) if sent through the mail, at the time it would be delivered in the ordinary course of the mail;
- (c) if sent for next day delivery by a nationally recognized overnight delivery service, when delivered to such service;
- (d) if sent by email, when sent to the email address at which the Shareholder consented to receive notice;

- (e) if sent by another form of electronic communication, when sent to the address, location or number for such Shareholder appearing on the records of the Corporation;
- (f) if sent by posting it on or making it available through a generally accessible electronic source and providing notice of the availability and location of the notice, document or other information to the Shareholder via any of the methods specified in (a) through (e) above, on the day such person is sent notice of the availability and location of such notice, document or other information is deemed to have received such notice in accordance with one of the means above; or
- (g) if sent by any other method permitted by law, at the time that such person is deemed to have received such notice pursuant to law.

If a shareholder has consented to a method of delivery of a notice, document or other information, the shareholder may revoke such shareholder's consent to receiving any notice, document or information by email by giving written notice of such revocation to the Corporation.

11.4 ~~11.2~~ **Notice of Joint Shareholders**

If two or more persons are registered as joint holders of any share, a notice or document may be sent or delivered to all of them, but notice given to any one joint Shareholder is sufficient notice to the others.

11.5 ~~11.3~~ **Notice to Successors**

Every person who, by operation of law, transfer, death of a Shareholder or any other means becomes entitled to any share, is bound by every notice in respect of the share which is sent or delivered to the Shareholder prior to the person's name and address being entered in the Corporation's securities register and prior to the person furnishing proof of authority or evidence of entitlement as prescribed by the ABCA. This subsection applies whether the notice was given before or after the event which resulted in the person becoming entitled to the share.

11.6 ~~11.4~~ **Non-Receipt of Notices**

If a notice or document is sent to a Shareholder, Director, Officer or auditor of the Corporation, if applicable in accordance with subsection 11.1 and the notice or document is returned on three consecutive occasions, the Corporation is not required to give any further notice or documents to the person until that person informs the Corporation in writing of the person's new address.

11.7 ~~11.5~~ **Failure to Give Notice**

The accidental failure to give a notice to a Shareholder, Director, Officer or auditor of the Corporation, if applicable, the non-receipt of a notice by the intended recipient or any error

in a notice not affecting its substance, does not invalidate any action taken at the meeting to which the notice relates.

11.8 ~~11.6~~ Execution of Notices

Unless otherwise provided, the signature of any person designated by resolution of the Board to sign a notice or document on behalf of the Corporation may be written, stamped, typewritten or printed.

Signed for identification effective as of ~~January~~May 31, 20222024.

Christopher Doornbos, President and Chief
Executive Officer