



## **Notice of Meeting and Management Information Circular**

**Annual and Special Meeting of Shareholders  
to be held on May 8, 2025**

**March 24, 2025**

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## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Please join Pieridae Energy Limited (the “Corporation” or “Pieridae”) at its 2025 annual and special meeting (the “Meeting”) of the holders of common shares (“Shareholders”).

<b>WHEN</b>	Thursday May 8, 2025, at 1:30 – 3:00 pm (Mountain Time)
<b>WHERE</b>	Macleod Room, Norton Rose Fulbright Canada LLP, Suite 3700, 400 3 <sup>rd</sup> Avenue SW, Calgary, Alberta, T2P 4H2
<b>YOUR VOTE MATTERS</b>	If you held Pieridae common shares on March 24, 2025, you are entitled to receive notice of, attend and vote at the Meeting.

### BUSINESS OF THE MEETING

1. **Receiving** the 2024 audited consolidated financial statements of the Corporation and the related auditor’s report;
2. **Fixing** the number of directors of the Corporation to be elected at seven;
3. **Electing** the directors of the Corporation;
4. **Appointing** Ernst & Young LLP as auditors of the Corporation and authorizing the directors to fix their remuneration;
5. **Conducting** an advisory vote on the Corporation’s approach to executive compensation;
6. **Passing** an ordinary resolution ratifying and approving the stock options granted under the Stock Option Plan after May 27, 2024 and approving all unallocated options issuable pursuant to the Corporation’s Stock Option Plan;
7. **Passing** a special resolution authorizing and approving an amendment to the Corporation’s articles to change its name to “Cavvy Energy Ltd.”, or such other name as the board of directors of the Corporation, in its sole discretion, may approve, subject to approval by the applicable regulatory authorities;
8. **Passing** a special resolution authorizing and approving the continuance of the Corporation out of the federal jurisdiction of Canada under the *Canada Business Corporations Act* and into the provincial jurisdiction of Alberta under the *Business Corporations Act* (Alberta), and the repeal and replacement of the Corporation’s by-laws in connection therewith; and
9. Transacting any other business that is properly brought before the Meeting or any adjournment or postponement thereof.

The accompanying Management Information Circular tells you about the items of business for consideration, including the full text of the resolutions to be approved by Shareholders, who may vote and how you can vote.

### Registered Shareholders

If you are a shareholder of record of common shares of the Corporation at the close of business on March 24, 2025, you are entitled to receive notice of, attend and vote at the Meeting.

Registered Shareholders (as defined in the accompanying Management Information Circular) may attend the Meeting in person or be represented by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to complete and return the accompanying proxy form and mail it in the envelope provided. To be effective, the proxy form must be **received by Odyssey Trust Company** (a) by mail or by hand delivery at Odyssey Trust Company, Attention: Proxy Department, Suite 702 – 67 Yonge St, Toronto, Ontario M5E 1J8, (b) by internet at <https://login.odysseytrust.com/pxlogin>, or (c) by facsimile at (800) 517-4553, in each case by **no later than 1:30 pm (Mountain Time) on May 6, 2025, or not less than 48 hours preceding any adjournment or postponement of the Meeting** (excluding Saturdays, Sundays and holidays).

### **Non-Registered Shareholders**

If you are a Non-Registered Shareholder (as defined in the accompanying Management Information Circular), complete and return the voting instruction form sent to you by your broker or intermediary in accordance with the instructions for voting described therein in advance of the deadline set forth in the voting instruction form. You may not be entitled to vote at the Meeting. Please read the “*MEETING AND VOTING INFORMATION*” section of the accompanying Management Information Circular for further information.

The Corporation has elected to use the notice-and-access regime under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver the Management Information Circular and associated materials to shareholders of the Corporation. Using notice-and-access allows the Corporation to post electronic versions of these materials on the System for Electronic Data Analysis and Retrieval+ (“**SEDAR+**”) at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Corporation’s website at [www.pieridaeenergy.com](http://www.pieridaeenergy.com), rather than mailing paper copies to shareholders. The materials will also be available via our registrar and transfer agent, Odyssey Trust Company, at <https://odysseytrust.com/client/pieridae-energy-limited>.

**By order of the Board of Directors of Pieridae Energy Limited.**

Dated March 24, 2025, at Calgary, Alberta

(signed) “*Darcy Reding*”

Darcy Reding

President & Chief Executive Officer

## LETTER TO SHAREHOLDERS

To our valued shareholders,

As we reflect on the past year, on behalf of the Board of directors (the “**Board**”) of Pieridae Energy Limited (the “**Corporation**” or “**Pieridae**”) and the entire management team, we are proud to share updates on our corporate strategy and successes. Please review the enclosed information and exercise your right to vote your shares. We also invite you to join us for the upcoming Annual and Special Meeting of Shareholders.

### Year One as CEO

The end of 2024 marked the conclusion of Darcy Reding’s first full calendar year as the Corporation’s Chief Executive Officer after his appointment on September 1, 2023. Consistent with corporate strategy, 2024 focused on cost structure reduction, debt deleveraging, growth in the midstream gas processing business, and improving efficiencies throughout the organization. Some resources were also utilized to advance potential commercial opportunities emerging in the power generation and data center sectors. These exciting investment possibilities may be particularly well-suited to our strategically located major natural gas processing facilities in southern and central Alberta.

The year delivered significant strategic accomplishments. Operating expenses were drastically improved, with a 17% reduction from the prior year and a 13% improvement from the budget target. Growth in the midstream business was achieved, notably at the Caroline gas plant, where third-party volumes sourced from non-owners now contribute about half of the facility’s raw gas feedstock. The Corporation continued to improve its greenhouse gas emissions intensity and achieved its health, safety, and environment (“**HSE**”) annual goals. These accomplishments required dedication and hard work throughout the organization, and we are enormously proud of them. With 2024 concluding and 2025 commencing, we are extremely excited to continue our journey to successfully deliver on our corporate strategy!

### Pricing and Production

The 2024 calendar year was extremely challenging for AECO natural gas prices, the Corporation’s sales benchmark. The average 2024 AECO price was only \$1.37/GJ, 56% lower than the 2024 budget price assumption of \$2.45/GJ. Mild winter weather early in the calendar year contributed to record gas inventory in storage, while North American production supply growth, largely driven by relatively strong pricing for crude oil and natural gas liquids, continued to pressure the supply / demand imbalance. Some relief from the imbalance materialized in the fourth quarter as producers shut in uneconomic gas production, along with the onset of higher seasonal demand, began to reduce gas storage levels.

With these weak natural gas prices persisting through much of the year, the Corporation made the prudent decision to shut-in uneconomic dry gas production flowing to third party facilities, representing approximately 25% of the Corporation’s production capability. This helped improve our net operating income<sup>(1)</sup> (“**NOI**”) in the short term while preserving hydrocarbon reserves for the longer-term benefit of shareholders. With this uneconomic production shut-in by early Q3, approximately 95% of the Corporation’s remaining natural gas production to the end of the year was protected by our existing price hedges, which realized a relatively favourable price of \$3.32/GJ.

The Corporation’s hedging program is designed to manage risk by mitigating the impact of price volatility while providing certainty the Corporation’s cash flow is adequate to meet maintenance capital requirements and debt servicing cost commitments. In 2024, the Corporation hedged an average of 78% of its natural gas production and 71% of its condensate (C5+) production using financial derivative instruments and forward sales contracts, resulting in a net realized gain from the hedging program of approximately \$74 million for the year. The Corporation actively manages the hedging program and will continue to evaluate opportunities to adjust its hedge positions to meet lending requirements and the needs of its business strategy in 2025 and beyond, always with an eye to creating and protecting shareholder value.

### Raising Funds

In July 2024, the Corporation finalized the sale of its LNG assets in Nova Scotia (the “**Goldboro Sale**”) for cash consideration of \$12.0 million. The Corporation’s strategy is focused on improving and growing its upstream and midstream business in western Canada, and it became

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<sup>1</sup> NOI is a non-GAAP financial measure. Non-GAAP financial measures are not standardized financial measures prescribed by IFRS and may not be comparable to similar measures presented by other companies. The most directly comparable financial measure to NOI is Revenue. For more information on NOI, see section entitled “Special Note Regarding Non-GAAP Financial Measures” in the Corporation’s annual management’s discussion and analysis for the year ended December 31, 2024 (the “**MD&A**”), which is hereby incorporated by reference. The MD&A is available on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), and upon request, a copy of the MD&A will be provided free of charge to any shareholder of the Corporation. Requests can be directed to [info@pieridaeenergy.com](mailto:info@pieridaeenergy.com).

clear that a successful corporate strategy necessitated the monetization of Goldboro LNG. Proceeds from the sale created an opportunity to fully repay the remaining outstanding bridge loan from Third Eye Capital (“TEC”), marking a significant milestone in the successful execution of the corporate strategy.

Following the Goldboro Sale, the Corporation announced a two-part equity raise consisting of a \$4.5 million private placement of common shares with Alberta Investment Management Corporation (“AIMCo”), followed by a successful \$29 million rights offering of common shares to existing shareholders. The success of these initiatives was a result of the confidence of shareholders in the Corporation’s strategic plan and its successful execution to date. Nearly half the equity raised is being invested into capital opportunities, with those funded projects prioritizing short-term operating cost reductions and cash flow improvements, while delivering a robust return-on-investment.

These funds afford the Corporation an opportunity to accelerate our multi-year strategic plan by supporting our operational excellence initiatives, accelerating asset investments to generate value-adding returns, and strengthening our ability to manage and reduce debt.

### **Operational Success**

The operations team delivered many accomplishments over 2024. The Waterton team successfully completed the scheduled gas plant turnaround in October 2024; the Caroline team effectively managed the growth in third party processing throughput, adding 395 e3m3/d (annual average) of new third party processing volumes; and the Jumping Pound team successfully accelerated some future maintenance requirements during an unscheduled outage to help offset future downtime impacts. All teams continued to maintain our track record of safe and compliant operations.

Overall, tremendous teamwork in 2024 helped the Corporation meet or exceed its operating cost, commercial, and HSE goals for the year. These accomplishments have positioned us to successfully deliver our corporate strategy with an ongoing focus on cost reduction, debt repayment, growth in midstream gas processing, and improving efficiencies throughout the organization. We remain optimistic on longer-term AECO natural gas prices, and our strategy is positioning us to take advantage of the tailwinds that more robust AECO pricing will generate in the next several years, along with gaining full exposure to market prices on 100% of our sulphur production as existing sulphur contracts expire at the end of 2025.

### **Board Work**

Throughout 2024, the Board remained focused on its governance mandate and providing insight into the Corporation’s strategy and key business developments. The Board engaged in comprehensive discussions with management on the evolving issues of cybersecurity, enterprise risk management, creating and executing a high-performance culture initiative, and AER regulatory hearing processes. In alignment with its commitment to continuous improvement, the Board also provided directors with modest financial support for relevant industry and governance training.

The Board was also extensively engaged in oversight of the Corporation’s successful equity investment program, the Goldboro Sale, repayment of outstanding indebtedness to TEC, and numerous operational and optimization projects. The Board was very pleased to see the additional investment by AIMCo into the Corporation’s strategy, team, and corporate opportunities. As part of the investment agreement, AIMCo gained nomination rights for two new Board members and to reduce the size of the Board from eight members to seven in total. The Board supported restructuring of Board membership and welcomes AIMCo’s nominated members to the Board as further described in the accompanying Management Information Circular. On behalf of the Corporation and the Board, we want to thank our three departing Board members, Charles Boulanger, Richard Couillard and Gail Harding for their deep commitment and meaningful contributions to the Corporation over their terms.

## A New Look

Beginning in 2023, the Corporation communicated its strategy to focus on its upstream production and midstream infrastructure assets. Successfully transitioning the business away from a primary focus on developing an LNG project on the east coast of Canada required strong leadership and teamwork during the last two years. While the “Pieridae” brand served the Corporation well as its foundation in the past, it is now time to adopt a new name to fully capture its renewed vision and direction.

Our new corporate name, Cavvy Energy Ltd., draws its inspiration from the western ranching tradition. A “cavvy” refers to a carefully selected group of working horses – each chosen for their strength, reliability, and specific capabilities. The name evokes an identity synonymous with our corporate values and mission, and one that is proudly connected to our western Canadian corporate roots. Leadership is excited to present the entirety of the new brand following shareholder approval of the motion to rename the Corporation at the upcoming Annual and Special Meeting of Shareholders.

As we move into 2025, we are confident in our strategic plan, and we are proud of our accomplishments thus far. Striving for continuous improvement, focusing on innovation and operational excellence, and maintaining our resilience will ensure our team delivers results and drives success in the coming year. The Corporation is grateful to our partners, stakeholders, employees, and directors for their ongoing support, commitment, and hard work. With the momentum from 2024 behind us, we look forward to working together to reach new heights and accomplish even greater success in the year ahead!

*“Patricia McLeod”*

**Patricia McLeod K.C.**

Chair of the Board of Directors

*“Darcy Reding”*

**Darcy Reding**

President & Chief Executive Officer



## MEETING AND VOTING INFORMATION

### SOLICITATION OF PROXIES

This management information circular and proxy statement (“**Circular**”) is furnished in connection with the solicitation of proxies by the management of Pieridae Energy Limited (the “**Corporation**” or “**Pieridae**”) for use at the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation to be held on May 8, 2025 from 1:30 - 3:00 p.m. (Mountain Time) in the Macleod Room, Norton Rose Fulbright Canada LLP, Suite 3700, 400 3<sup>rd</sup> Avenue SW, Calgary, Alberta, T2P 4H2 for the purposes set forth in the Notice of Annual and Special Meeting (the “**Notice**”) accompanying this Circular.

The Meeting will also be streamed via live audio webcast with the ability to “raise the hand” to ask a verbal question during the question-and-answer session. To participate in the live webcast, go to <https://edge.media-server.com/mmc/p/xk53vcfn>. Voting will not be taken via the live audio webcast, so if you wish to vote at the Meeting, you or your duly appointed proxyholder must attend in person.

To register to participate in the live audio webcast by telephone go to: <https://register-conf.mediaserver.com/register/B1f4a11631ac334142b7d1671fbf810fbb> and follow the instructions provided.

The board of directors of the Corporation (the “**Board**”) has fixed the record date for the Meeting at the close of business on March 24, 2025 (the “**Record Date**”). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that they own such shares, demands not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Proxies may be solicited by mail, telephone, email, facsimile or other electronic means. Proxies may be solicited personally by directors or officers of the Corporation who will not be specifically remunerated for solicitation. The cost of solicitation of proxies will be paid by the Corporation.

Unless otherwise stated, information contained herein is given as of March 24, 2025.

### NOTICE AND ACCESS

The Corporation has elected to use the notice-and-access regime under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver the proxy-related materials to Shareholders, including the Notice of Meeting, this Circular, a proxy form or voting instruction form, as applicable, and a supplemental mailing list return card (collectively, the “**Meeting Materials**”). Notice-and-access allows the Corporation to post electronic versions of the Meeting Materials on the System for Electronic Data Analysis and Retrieval+ (“**SEDAR+**”) and on its website rather than mailing paper copies to Shareholders.

Under notice-and-access, instead of receiving printed copies of the Meeting Materials, Shareholders receive a notice-and-access notification package (the “**Notice Package**”). The Notice Package includes: (a) a voting instruction form or proxy form, as applicable; (b) basic information about the Meeting and the matters to be voted on; (c) instructions on how to obtain a paper copy of the Circular; and (d) a plain-language explanation of how the notice-and-access regime operates and how the Circular can be accessed online. Where prior consent has been obtained, the Corporation will send the Notice Package to Shareholders electronically. The Notice Package will be mailed to Shareholders from whom consent to electronic delivery has not been received.

The Meeting Materials will be available at <https://odysseytrust.com/client/pieridae-energy-limited> on or about April 8, 2025. The materials will also be available on the Corporation's website at [www.pieridaeenergy.com](http://www.pieridaeenergy.com) and on the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca) on or about April 8, 2025. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Corporation's printing and mailing costs.

It also helps expedite Shareholders' receipt of the Meeting Materials. Shareholders are reminded to review the Meeting Materials prior to voting.

If you would prefer to receive a paper copy of the Meeting Materials, free of charge, or if you have any questions regarding notice-and-access, you can contact the Corporation's transfer agent, Odyssey Trust Company ("**Odyssey**"), by email at [Shareholders@odysseytrust.com](mailto:Shareholders@odysseytrust.com), or by calling 1-587-885-0960. Requests for paper copies should be received at least five business days in advance of the proxy deposit date and time set out in the accompanying proxy form or voting instruction form in order to allow sufficient time for Shareholders to receive and review the Meeting Materials and return the proxy form or voting instruction form prior to the deadline for receipt of proxies.

## VOTING

The rules and procedures for voting depend on whether you are a "registered Shareholder" or a "non-registered Shareholder", as discussed below.

### *Registered Shareholders*

You are a *registered holder* of Common Shares ("**Registered Shareholder**") if you hold the share certificate in your name or your Common Shares are recorded electronically in the direct registration system in your name.

If you are a Registered Shareholder and would like someone else to vote on your behalf at the Meeting, you must complete a proxy form. For detailed information on how to vote as a Registered Shareholder, please refer to the table under the heading "*VOTING PROCEDURE*" below.

### *Non-Registered (Beneficial) Shareholders*

You are a *non-registered (beneficial) holder* of Common Shares ("**Non-Registered Shareholder**") if you hold your Common Shares through an intermediary where the Common Shares are registered in your intermediary's name and you are the beneficial Shareholder. More particularly, you are a Non-Registered Shareholder if your Common Shares are held on your behalf but registered either: (a) in the name of an intermediary that you deal with in respect of the Common Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the intermediary is a participant. For detailed information on how to vote as a Non-Registered Shareholder, please refer to the table under the heading "*VOTING PROCEDURE*" below.

We do not have the names of Non-Registered Shareholders or a record of the number of Common Shares that are owned by Non-Registered Shareholders.

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about them to the Corporation are referred to as "Non-Objecting Beneficial Owners" ("**NOBOs**"). Non-Registered Shareholders who have objected to their intermediary disclosing ownership information about them to the Corporation are referred to as "Objecting Beneficial Owners" ("**OBOs**").

In accordance with the requirements as set out in NI 54-101, the Corporation has distributed copies of the Notice Package and Meeting Materials for Non-Registered Shareholders to intermediaries for distribution to NOBOs and OBOs. Intermediaries are required to forward the Notice Package (or if requested, the Meeting Materials) to both NOBO and OBO Non-Registered Shareholders unless they have waived the right to receive them. The Corporation does not send the Notice Package (or Meeting Materials) to Non-Registered Shareholders; however, the Corporation will reimburse intermediaries for the cost incurred by them in delivering the Notice Package (or Meeting Materials).

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Non-Registered Shareholders should carefully follow the instructions for voting described in the voting instruction form sent by your broker or intermediary in advance of the deadline set forth in the voting instruction form.**

## Voting Procedure

	Registered Shareholders	Non-Registered Shareholders
<b>Voting at the Meeting</b>	<p>If you wish to vote at the Meeting, please attend the Meeting in person. Do not complete and return the proxy form – your vote will be taken and counted at the Meeting.</p> <p>Voting will not be taken via the live audio webcast, so if you wish to vote at the Meeting, you must attend in person.</p>	<p>If you wish to vote at the Meeting, please strike out the names of the Management Proxyholders (as defined below), on the voting instruction form sent to you by your intermediary, insert your own name in the space provided on the voting instruction form, follow all of the applicable instructions provided by your intermediary and register yourself as a proxyholder. If you appoint yourself as proxyholder, you must attend the Meeting in person where your vote will be taken and counted.</p>
<b>Voting by proxy</b>	<p>Your Common Shares will be voted at the Meeting according to your instructions. You can send your instructions by (a) mail in the self-addressed envelope enclosed herewith to Odyssey, (b) facsimile at (800) 517-4553 or (c) internet at <a href="https://login.odysseytrust.com/pxlogin">https://login.odysseytrust.com/pxlogin</a>.</p> <p>If you wish to appoint a person other than the Management Proxyholders (as defined below) as your proxyholder, please insert the name of your chosen proxyholder in the space provided on the proxy form. Please follow the instructions carefully. <b>Your instructions must be received by 1:30 pm (Mountain Time) on May 6, 2025, for your vote to be counted.</b> If you are mailing the form, be sure to allow enough time for the envelope to be delivered.</p> <p>If the Meeting is adjourned or postponed, your proxy must be received 48 hours before the time of the reconvened meeting (excluding Saturdays, Sundays, and holidays). The Chair of the Meeting may waive or extend the proxy cut-off without notice.</p>	<p>Your Common Shares will be voted at the Meeting according to your instructions. Send your voting instructions to your broker or intermediary using your <i>voting instruction form</i>.</p> <p>Most brokers and intermediaries allow you to send your instructions by mail, internet, telephone, or fax, but each has its own process so make sure you follow the instructions on the form. <b>Your broker or intermediary must receive your instructions in enough time to act on them. Check the deadline on the form.</b> If you are mailing your instructions, be sure to allow enough time for the envelope to be delivered.</p>
<b>Revoking a proxy or changing your vote</b>	<p>If you voted by proxy in advance of the Meeting, you may revoke or change your vote by:</p> <ol style="list-style-type: none"> <li>1. completing and signing a new proxy bearing a later date than your initial proxy and delivering it to Odyssey not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting (or any adjourned or postponed meeting); or</li> <li>2. delivering a written statement, signed by you or your authorized attorney to: <ol style="list-style-type: none"> <li>a. Odyssey not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting (or any adjourned or postponed meeting); or</li> <li>b. The Chair of the Meeting prior to the start of the Meeting.</li> </ol> </li> </ol> <p>You will not be able to change your vote once it has been taken at the Meeting.</p>	<p>If you wish to revoke your proxy or change your vote in advance of the Meeting, please contact your broker or intermediary to find out how to change or revoke your voting instructions and the timing requirements. Brokers and intermediaries may set deadlines for the receipt of revocation notices that are different than those set out herein and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the proxy card or voting instruction form to ensure it is given effect at the Meeting.</p> <p>The vote of a duly appointed proxyholder cannot be changed once it has been taken at the Meeting.</p>
<b>More about voting by proxy</b>	<p>When you or your broker or intermediary, as applicable, send in the proxy form, by default you are appointing Darcy Reding and, in the alternative, Adam Gray (“<b>Management Proxyholders</b>”), to act as your proxyholder and vote on your behalf. They will vote your Common Shares according to the voting instructions you provide on the proxy form or voting instruction form, as applicable. If you do not provide voting instructions, they will vote FOR the resolutions to be voted on at the Meeting.</p>	

	Registered Shareholders	Non-Registered Shareholders
	<p>The proxy form confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date of the Circular, management of the Corporation (“<b>Management</b>”) is not aware of any such amendment, variation, or other matter to come before the Meeting.</p> <p><b>You also have the right to appoint someone else to represent you at the Meeting or at any adjournment or postponement thereof. This person does not need to be one of the Management Proxyholders or another Shareholder of the Corporation. To appoint another person, simply write that person’s name in the blank space provided on the proxy form. Your vote will be counted as long as the person you appoint attends the Meeting and votes on your behalf. If you appoint someone else as your proxyholder, but do not specify how you want to vote your Common Shares, the person can vote as they see fit. Should any amendment to an item of business arise, or any other matter properly arise at the Meeting, your proxyholder has the discretion to vote as they see fit, to the extent possible.</b></p>	

## QUORUM FOR THE MEETING

At least two persons who hold or represent by proxy at least 5% of the issued and outstanding Common Shares must be present at the Meeting in order to constitute a quorum, thereby enabling the Meeting to proceed. If you submit a properly executed proxy form or voting instruction form, or vote by internet, you will be considered to be part of the quorum.

## APPROVAL REQUIREMENTS

The following matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting: fixing the number of directors to be elected at the Meeting at seven, electing the directors, appointing Ernst & Young LLP as auditors, ratifying and approving the options granted under the Stock Option Plan after May 27, 2024, and approving unallocated options under the Stock Option Plan.

The vote to accept Pieridae’s approach to executive compensation is an advisory vote pursuant to which Shareholders will have a say on the Corporation’s approach to executive compensation. As this is an advisory vote, the results are not binding upon the Board; however, the Board will report on and take into account the results when considering compensation in the future.

The resolution to amend the Corporation’s articles to change its name to Cavvy Energy Ltd. and the resolution to continue the Corporation from the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “**CBCA**”), to the *Business Corporations Act* (Alberta), RSA 2000, c B-9, as amended (the “**ABCA**”), are special resolutions requiring the approval of not less than two-thirds of the votes cast in respect of the resolutions by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

Odyssey, our transfer agent and registrar, will count the votes during the Meeting in its capacity as the Corporation’s scrutineer.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the Record Date, the Corporation had 290,387,642 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on each resolution proposed at a meeting of Shareholders. Except for Common Shares, the Corporation has not issued any other voting security. The outstanding Common Shares are listed on the Toronto Stock Exchange (the “**Exchange**”) under the symbol “PEA”.

We are not aware of any person who beneficially owns or exercises control or direction over (directly or indirectly) more than 10% of the voting rights attached to the Common Shares as at the Record Date, except the following:

- Alberta Investment Management Corporation (“**AIMCo**”) is the registered holder of 136,491,029 (or approximately 47%) of the issued and outstanding Common Shares as at the Record Date.

Under the Investor Rights Agreement between AIMCo and the Corporation dated October 8, 2024 (the “Investor Rights Agreement”), AIMCo was granted, among other things, certain representation rights with respect to the Board, including the right to designate two nominees for election to the Board. AIMCo’s Board nomination rights will terminate at such time that AIMCo, together with its affiliates, owns or exercises control or direction over less than 10% of the outstanding voting shares of the Corporation. AIMCo’s nominees for election to the Board are Harvey Doerr and Michael Backus.

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

Other than interests in Common Shares of the Corporation, stock options, deferred share units (“DSU”) and restricted share units (“RSU”), all as more particularly detailed in this Circular, Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since January 1, 2024 (the beginning of the Corporation’s last financial year) or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## BUSINESS OF THE MEETING

The following matters will be presented during the Meeting for consideration by the Shareholders.

As of the Record Date, no director of the Corporation has informed Management in writing that he or she intends to oppose any action that is intended to be taken by Management at the Meeting.

### RECEIVING THE 2024 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Corporation for the year ended December 31, 2024, the report of auditors thereon and the related management discussion and analysis, will be placed before Shareholders, but no vote by the Shareholders is required or proposed to be taken. The financial statements will be available electronically to all Registered Shareholders and Non-Registered Shareholders on the Corporation’s website at [www.pieridaenergy.com](http://www.pieridaenergy.com) and under the Corporation’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### FIXING THE NUMBER OF DIRECTORS TO BE ELECTED

The articles of the Corporation allow for a minimum of three (3) and a maximum of eleven (11) directors of the Corporation. In accordance with the Investor Rights Agreement, it is proposed that the number of directors to be elected at the Meeting of the Shareholders be fixed at seven (7).

The proposed resolution is set out below.

*“IT IS RESOLVED as an ordinary resolution that the number of directors to be elected at the Meeting be hereby fixed at seven (7)”*

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the resolution fixing the number of directors to be elected at the Meeting by Shareholders at seven (7).

### ELECTION OF DIRECTORS

The members of the Board are elected at each annual meeting of Shareholders to hold office until the conclusion of the next such annual meeting of Shareholders unless prior to that meeting, the particular director resigns, or the position becomes vacant for any other reason. In such an event, the by-laws of the Corporation permit the Board to fill such vacancy subject to the provisions of the CBCA. In addition, the articles of the Corporation permit the Board to appoint one or more additional directors of the Corporation who shall hold office for a term expiring not later than the close of the next annual meeting of

Shareholders, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of Shareholders.

AIMCo has the right to propose two (2) new nominees for election to the Board. The Board requested that AIMCo advise the Board as to which of the five (5) incumbent directors it was prepared to support at the Meeting. Based on this information, the seven (7) proposed nominees for election to the Board (collectively, the “**Nominees**” and each, a “**Nominee**”) are:

**TABLE 1**

NAME OF NOMINEE
Michael Backus
Harvey Doerr
Doug Dreisinger
Andrew Judson
Patricia McLeod
Darcy Reding
Kiren Singh

Except for Darcy Reding, the Nominees are considered to be independent, as determined by the Board in accordance with the standard of independence set forth in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

Please refer to the text under the heading “**NOMINEES FOR ELECTION TO THE BOARD**” for particular biographical and other information concerning each Nominee and to the text under the heading “**GOVERNANCE**” for a further discussion of the independence of the Nominees.

Each Nominee who is elected as a director will hold that office until the conclusion of the next annual meeting of the Corporation or until their resignation, if sooner.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the election as directors of the Nominees whose names are set forth above.

## APPOINTMENT OF AUDITORS

Ernst & Young LLP has been the Corporation’s auditors since 2017. The Board proposes to re-appoint Ernst & Young LLP, chartered professional accountants, as auditors of the Corporation at remuneration to be fixed by the Board. The proposed resolution is set out below.

*“IT IS RESOLVED as an ordinary resolution that Ernst & Young LLP be hereby appointed auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders, at such remuneration as may be fixed by the Board.”*

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the appointment of Ernst & Young LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and authorize the Board to fix the remuneration of the auditors.

## External Auditor Service Fees

Information regarding the amount and nature of the fees that were paid by the Corporation to its external auditors is disclosed on page 29 of the annual information form of the Corporation for the year ended December 31, 2024, a copy of



which can be found under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and which was filed on SEDAR+ on March 19, 2025.

### ADVISORY VOTE ON EXECUTIVE COMPENSATION

At the 2024 annual meeting of Shareholders, the voting results were 61,145,510 (98.24%) of Shareholders in favour of the Corporation's approach to executive compensation, with 1,095,057 (1.76%) against.

The Corporation is pleased to again provide Shareholders the opportunity to vote on a non-binding advisory resolution to accept or reject our approach to executive compensation as more particularly described in this Circular.

The Board believes its executive compensation program aligns the interests of the executives with those of the Corporation's Shareholders through our commitment to providing an equitable yet market competitive compensation program that will attract, motivate, retain, and reward a diverse, qualified, and dedicated cohort at all levels within the Corporation. Please review the information under the heading "*EXECUTIVE COMPENSATION*" before voting on this matter.

The proposed resolution is set out below.

*"IT IS RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board, that the Shareholders accept the approach to executive compensation disclosed in the Management Information Circular delivered in advance of the Meeting."*

The Board recommends that Shareholders vote FOR the advisory vote to accept our approach to executive compensation.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the advisory vote to accept our approach to executive compensation.

As this is an advisory vote, the results are not binding upon the Board; however, the Board will report on and take into account the results when considering compensation in the future.

### RATIFYING 2024 OPTION GRANTS AND APPROVING UNALLOCATED OPTIONS UNDER THE STOCK OPTION PLAN

The Stock Option Plan was approved and adopted by the Board as of October 24, 2017, and was amended and restated by the Board as of November 23, 2017, March 19, 2020, and again as of March 24, 2021. The TSX Company Manual provides that every three years after the institution of a security based compensation arrangement which does not have a fixed maximum number of securities issuable under the arrangement, all unallocated rights, options and other entitlements under the arrangement must be approved by a majority of the issuer's directors and by the issuer's security holders. As our Stock Option Plan is a Security Based Compensation Arrangement without a fixed maximum number of issuable Common Shares, it must be approved by a majority of the Shareholders every three years. It was approved at the annual and special meetings of Shareholders held on June 27, 2018, May 26, 2020 and May 27, 2021. The approval obtained on May 27, 2021 expired on May 27, 2024, and as it was not put forward for approval at the Corporation's annual and special meeting of Shareholders on May 9, 2024, all stock options granted under the Stock Option Plan after May 27, 2024 are subject to ratification by Shareholders (and if such ratification is not obtained at the Meeting, such stock options will be cancelled). Therefore, at the Meeting we are seeking the ratification and approval of all stock options granted under the Stock Option Plan after May 27, 2024 (collectively, the "**Ratification Options**"), and approval of all unallocated options issuable under the Stock Option Plan. If Shareholder approval is obtained at the Meeting, Pieridae will not be required to seek further approval of unallocated options issuable under the Stock Option Plan until May 8, 2028. See "Long-term Incentive Plans – Stock Option Plan" below for more information. A copy of the Stock Option Plan is attached as Schedule A to this Circular.

The following table sets out the particulars of the Ratification Options which Shareholders will be asked to ratify and approve at the Meeting. All of the Ratification Options vest as follows: one fifth immediately and one fifth on each of the first, second, third and fourth anniversary of the grant date.

TABLE 2

GROUP	DATE OF GRANT	AGGREGATE NUMBER OF SHARES ISSUABLE	EXERCISE PRICE (\$)	EXPIRY DATE
Officers	August 31, 2024	2,404,341	0.30	August 31, 2029
Employees	August 31, 2024	1,167,734	0.30	August 31, 2029
<b>Total</b>		<b>3,572,075</b>		

The Stock Option Plan is a “rolling” stock option plan under which stock options may be granted up to a maximum of 10% of the Common Shares issued and outstanding at the time of the grant (less the number of Common Shares issuable pursuant to all other Security Based Compensation Arrangements of Pieridae, of which there are currently none). The number of Common Shares that may be reserved under the Stock Option Plan automatically increases or decreases as the number of issued and outstanding Common Shares increases or decreases. As at March 24, 2025, the aggregate number of Common Shares underlying stock options awarded under the Stock Option Plan was 6,948,475 (equal to approximately 2.4 percent of the aggregate number of Common Shares issued and outstanding), leaving unallocated options to purchase an aggregate of 22,090,289 Common Shares (equal to approximately 7.6 percent of the aggregate number of Common Shares issued and outstanding) available for future grant based on 290,387,642 Common Shares outstanding on March 24, 2025.

The Corporation’s Stock Option Plan was established as part of a competitive compensation package to attract and retain skilled and motivated individuals who are essential to the Corporation’s success; see “Long-term Incentive Plans” below. The Stock Option Plan encourages long-term commitment by providing employees with a vested interest in the Corporation’s future success and aligns their interests with those of Shareholders. If approval is not obtained at the Meeting, alternate forms of performance based compensation will be considered by the Governance & Human Resources Committee (the “GHRC”) and the Board in order to attract and retain qualified individuals.

The Board has unanimously approved, subject to the receipt of regulatory and Shareholder approval, the issuance of all Ratification Options and all unallocated options issuable under the Stock Option Plan. As described above, the Corporation is required to seek from Shareholders, by way of ordinary resolution, the ratification of the Ratification Options and approval of all unallocated options under the Stock Option Plan. The proposed resolution is set out below.

*“IT IS RESOLVED as an ordinary resolution that:*

- 1. All of the Ratification Options, being the 3,572,075 options to purchase Common Shares granted under the Stock Option Plan after May 27, 2024, subject to ratification by the Shareholders, are hereby ratified and approved;*
- 2. All unallocated options to purchase Common Shares of the Corporation issuable pursuant to the Stock Option Plan are hereby approved;*
- 3. The Corporation shall have the ability to continue granting options under the Stock Option Plan until May 8, 2028; and*
- 4. Any one officer or director of the Corporation is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolution.”*

The Board recommends that Shareholders vote FOR this resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the resolution set out above.

## AMENDING THE ARTICLES TO CHANGE CORPORATE NAME

At the Meeting, Shareholders will be asked to adopt a special resolution approving an amendment to the articles of the Corporation to change our name from “Pieridae Energy Limited” to “Cavvy Energy Ltd.”, or such other name as the Board may approve, in its sole discretion (the “**Name Change**”).



The Name Change supports the Corporation's strategic shift away from its historical focus on LNG projects on Canada's east coast and toward delivering compelling results as a significant upstream producer and midstream gathering and processing operator with core assets concentrated along the foothills of the Rocky Mountains. It reflects Pieridae's corporate evolution, supports a renewed vision, and aligns with corporate values.

In connection with the Name Change, the Corporation intends to change its trading symbol on the Toronto Stock Exchange (the "TSX") from "PEA" to "CVVY". We intend to begin trading under the stock symbol "CVVY" on the TSX within two to three business days after the TSX accepts the required documentation in connection with the Name Change, which we intend to submit to the TSX immediately after the Name Change becomes effective.

In order to be effective, the special resolution in respect of the Name Change must be passed by a majority of not less than two-thirds of the votes cast by Shareholders present in person or by proxy at the Meeting. If approved by the requisite majority of Shareholders, the effective date of the Name Change will be the date of issuance by the Director under the CBCA of a certificate of amendment in respect of the Name Change (the "**Certificate of Amendment**"). The Corporation intends to file the articles of amendment in respect of the Name Change (the "**Articles of Amendment**"), and obtain the Certificate of Amendment, immediately following the Meeting or as soon as practicable thereafter. Our current articles can be found on the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Implementation of the Name Change is conditional upon approval from the TSX. Notwithstanding approval of the Name Change from the Shareholders, the Board may, in its sole discretion and without further notice to or approval by the Shareholders, determine not to proceed with the Name Change at any time prior to the Name Change coming into effect. If the Name Change is not approved by the requisite majority of Shareholders at the Meeting or by the TSX, or if the Board determines not to proceed with the Name Change, the Corporation will continue under its current name.

The Corporation is not forwarding a letter of transmittal to Shareholders for their use in transmitting certificates representing Common Shares in exchange for new certificates representing Common Shares which give effect to the Name Change. Instead, if the Name Change is approved by the requisite majority of Shareholders at the Meeting and the TSX, and the Certificate of Amendment is obtained to give effect thereto, each existing certificate representing Common Shares which reflects the current name of the Corporation shall continue to be a valid certificate representing Common Shares until such certificate is transferred, reregistered or otherwise exchanged.

The proposed special resolution is set out below.

*"IT IS RESOLVED as a special resolution that:*

- 1. The articles of the Corporation be amended to change the name of the Corporation from "Pieridae Energy Limited" to "Cavvy Energy Ltd.", or such other name as may be approved by the Board, in its sole discretion;*
- 2. Any one director or officer of the Corporation is hereby authorized to execute and submit the Articles of Amendment to the Director under the CBCA in the prescribed form;*
- 3. Notwithstanding the approval of this special resolution by the Shareholders, the Board is hereby authorized, in its sole discretion, to revoke this special resolution at any time before the receipt of the Certificate of Amendment giving effect to the Name Change, without any further notice to or approval or authorization of the Shareholders; and*
- 4. Any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to do all such further acts and things and to execute all such documents and instruments as may be necessary or desirable to give the effect to the matters contemplated by this special resolution."*

The Board recommends that Shareholders vote FOR this special resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the special resolution as set out above.

## CONTINUANCE FROM CBCA TO ABCA

At the Meeting, Shareholders will be asked to adopt a special resolution (the “**Continuance Resolution**”) approving the continuance of the Corporation out of the federal jurisdiction under the CBCA and into the provincial jurisdiction of Alberta under the ABCA (the “**Continuance**”).

The Corporation currently exists as a federal Canadian corporation under the CBCA, which made sense for the Corporation’s historical business and legal structure, which involved assets and operations in several provinces from Alberta to Atlantic Canada. However, following the sale of the Corporation’s Goldboro assets in Nova Scotia and the Corporation’s strategic focus and evolution to become a significant upstream producer and midstream gathering and processing operator with its main focus in Alberta, there is no longer a rationale for the Corporation to exist under federal jurisdiction. The Corporation’s head office and the majority of the Corporation’s assets, operations and employees, are now located in Alberta. As such, the Board believes that it is in the best interests of the Corporation to complete the Continuance and become an Alberta corporation existing under the ABCA.

### *Procedure for the Continuance*

In order to effect the Continuance, the following steps must be taken:

1. the Shareholders must approve the Continuance Resolution at the Meeting;
2. the Director under the CBCA must approve the proposed Continuance, upon being satisfied that the Continuance will not adversely affect creditors or Shareholders;
3. the Corporation must file the articles of continuance (the “**Articles of Continuance**”) which are attached as Schedule B to this Circular, together with the additional documents required under Section 188(3) of the ABCA, with the Registrar under the ABCA;
4. the Registrar under the ABCA must issue a certificate of continuance (the “**Certificate of Continuance**”); and
5. the Corporation must file the Certificate of Continuance with the Director under the CBCA and obtain a certificate of discontinuance (the “**Certificate of Discontinuance**”) from the Director under the CBCA.

### *Effect of the Continuance*

On the date shown on the Certificate of Continuance, the Corporation will become a corporation existing under and governed by the ABCA, as if the Corporation had been incorporated under the ABCA. On the date shown on the Certificate of Discontinuance, the Corporation will cease to exist under and be governed by the CBCA. The Corporation does not intend to change its business or operations as a result of the Continuance. The terms and provisions set out in the Articles of Continuance, attached as Schedule B to this Circular, are identical to those set out in Corporation's existing articles (other than the use of the Corporation's proposed new name, as further described below).

A comparative summary of certain differences between the CBCA and ABCA is attached as Schedule C to this Circular. The summary in Schedule C is not exhaustive and is not intended to be a comprehensive review of the two statutes and is qualified in its entirety by the full text of both the CBCA and ABCA and the regulations thereunder. Furthermore, the summary set out in Schedule C is not intended to be, and should not be construed to be, legal advice. Shareholders should consult their own legal advisors with respect to the specific provisions of the CBCA and the ABCA, and their rights under either statute, including the implications of the Continuance.

By operation of law, when the Continuance becomes effective:

- the property of the Corporation prior to the Continuance continues to be the property of the Corporation;
- the Corporation continues to be liable for the obligations of the Corporation prior to the Continuance;
- any existing cause of action, claim or liability to prosecution is unaffected;
- a civil, criminal or administrative action or proceeding pending by or against the Corporation prior to the Continuance may be continued to be prosecuted by or against the Corporation; and
- a conviction against, or ruling, order or judgment in favour of or against, the Corporation prior to the Continuance may be enforced by or against the Corporation.

### ***New By-Laws***

In connection with the Continuance, the existing by-laws of the Corporation adopted under the CBCA, being By-Law No. 2 (the “**Existing General By-Law**”) and By-Law No. 3 (the “**Existing Advance Notice By-Law**”, and together with the Existing General By-Law, the “**Existing By-Laws**”), will be repealed and the Corporation will adopt new by-laws under the ABCA, being By-Law No. 1 (the “**New General By-Law**”) and By-Law No. 2 (the “**New Advance Notice By-Law**”, and together with the New General By-Law, the “**New By-Laws**”). The Existing By-Laws can be found on the Corporation’s website at <https://www.pieridaeenergy.com/our-company/governance>. The full text of the New By-Laws is attached as Schedule D to this Circular.

The key differences between the Existing By-Laws and the New By-Laws are summarized below. This summary is qualified in its entirety by the text of the New By-Laws, which is attached as Schedule D to this Circular. It is recommended that Shareholders review the New By-Laws in their entirety. Changes that are generally of a housekeeping nature are not outlined below.

The New General By-Law reflects changes to the Existing General By-Law that are required in connection with the Name Change and the Continuance, including to refer to the Corporation’s proposed new name instead of its current name, to refer to the ABCA instead of the CBCA and to remove certain CBCA-specific requirements such as director residency. The New General By-Law also removes certain provisions from the Existing General By-Law that are unnecessary because they contain rights or processes that are covered under the ABCA. Lastly, the New General By-Law updates or removes certain provisions from the Existing General By-Law that are unnecessarily proscriptive or that contain excessive detail, which such changes are intended to provide the Corporation with greater flexibility when carrying on its business.

The Existing Advance Notice By-Law establishes the procedures, timeframe, and forms which a Shareholder must follow in order to nominate a person for election as a director of the Corporation at a meeting of Shareholders. The New Advance Notice By-Law is identical to the Existing Advance Notice By-Law, other than amendments required in connection with the Name Change and the Continuance, including to refer to the Corporation’s proposed new name instead of its current name, to refer to the ABCA instead of the CBCA and to remove disclosure of certain CBCA-specific requirements such as director residency, and minor stylistic amendments.

### ***Special Resolution and Board Recommendation***

In order to be effective, the Continuance Resolution must be passed by a majority of not less than two-thirds of the votes cast by Shareholders present in person or by proxy at the Meeting. If approved by the requisite majority of Shareholders, the effective date of the Continuance will be the date of issuance of the Certificate of Continuance. The Corporation intends to initiate the procedures outlined above in respect of the Continuance, and obtain the Certificate of Continuance, immediately following completion of the Name Change or as soon as practicable thereafter. As a result, the Corporation intends to file the Articles of Continuance and adopt the New By-Laws under the Corporation’s proposed new name. In the event that the Name Change is not approved by the requisite majority of Shareholders or by the TSX, but the Continuance receives the requisite approvals and the Board wishes to proceed with the Continuance, the Continuance will be effected under the name “Pieridae Energy Limited”.

Implementation of the Continuance is conditional upon approval from the TSX. Notwithstanding approval of the Continuance from the Shareholders, the Board may, in its sole discretion and without further notice to or approval by the Shareholders, determine not to proceed with the Continuance at any time prior to the Continuance coming into effect. If the Continuance is not approved by the requisite majority of Shareholders at the Meeting or by the TSX, or if the Board determines not to proceed with the Continuance, the Corporation will continue to exist under the CBCA.

The proposed Continuance Resolution is set out below.

*“IT IS RESOLVED as a special resolution that:*

- 1. The Continuance is authorized and approved;*
- 2. The Corporation is authorized to make an application pursuant to Section 188 of the CBCA to the Director under the CBCA for authorization to continue into Alberta under the ABCA;*
- 3. The Corporation is authorized to file the Articles of Continuance, substantially in the form attached as Schedule B to this Circular, subject to such changes or amendments as any one director or officer of the Corporation may approve, along with all other necessary documents required under Section 188(3) of the ABCA, with the Registrar under the ABCA to obtain the Certificate of Continuance;*
- 4. The Corporation is authorized to deliver or cause to be delivered the Certificate of Continuance to the Director under the CBCA to obtain the Certificate of Discontinuance;*
- 5. Upon the issuance of the Certificate of Continuance, and without affecting the validity of any act of the Corporation under the Existing By-Laws, the Existing By-Laws are hereby repealed and replaced with the New By-Laws, substantially in the form attached as Schedule D to this Circular, subject to such changes or amendments as any one director or officer of the Corporation may approve;*
- 6. Notwithstanding the approval of this special resolution by the Shareholders, the Board is hereby authorized, in its sole discretion, to revoke this special resolution at any time before the receipt of the Certificate of Continuance, without any further notice to or approval or authorization of the Shareholders; and*
- 7. Any one director or officer of the Corporation is hereby authorized to do all such further acts and things and to execute all such documents and instruments as may be necessary or desirable to give the effect to the matter contemplated by this special resolution.”*

The Board recommends that Shareholders vote FOR this special resolution.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the foregoing matter, the Management Proxyholders intend to vote FOR the resolution as set out above.

### **Dissent Rights**

Pursuant to Section 190 of the CBCA, Registered Shareholders (“**Dissenting Shareholders**”) have certain dissent rights (the “**Dissent Rights**”) in respect of the Continuance.

**The following description of the Dissent Rights to which Registered Shareholders are entitled is not a comprehensive statement of the procedures to be followed by a Registered Shareholder who seeks payment of the “fair value” of such Registered Shareholder’s Common Shares and is qualified in its entirety by the reference to the text of Section 190 of the CBCA, which is attached to this Circular as Schedule E. A Registered Shareholder who intends to exercise the Dissent Rights should carefully consider and strictly comply with the provisions of Section 190 of the CBCA. Failure to strictly comply with the provisions of the CBCA and to adhere to the procedures established therein may result in the loss of all rights thereunder. It is recommended that Shareholders wishing to avail themselves of their rights under Section 190 of the CBCA seek independent legal advice, as failure to comply strictly with the provisions of the CBCA may prejudice their Dissent Rights.**

Pursuant to Section 190 of the CBCA, a Registered Shareholder is entitled to dissent and to be paid by the Corporation the “fair value” of the Common Shares in respect of which that Registered Shareholder dissents. “Fair value” is determined as of the close of business on the last business day before the day on which the Continuance Resolution is adopted. A Registered Shareholder may dissent only with respect to all of that Registered Shareholder’s Common Shares or all of the Common Shares held by that Registered Shareholder on behalf of any one Non-Registered Shareholder.

**Only Registered Shareholders may exercise Dissent Rights. Non-Registered Shareholders who wish to dissent should be aware that only the registered owner of such Non-Registered Shareholder’s Common Shares is entitled to dissent. Non-Registered Shareholders include Shareholders whose Common Shares are registered in the name of a broker, custodian,**

**nominee or other intermediary, held on behalf of the Non-Registered Shareholder.** Non-Registered Shareholders who wish to dissent should contact their broker or other intermediary for assistance with exercising the Dissent Rights.

Under Section 190 of the CBCA, a Registered Shareholder wishing to dissent must send to the Corporation a written objection to the Continuance Resolution (the “**Notice of Dissent**”). The Notice of Dissent must be received by the Corporation before the Meeting by registered mail to Suite 1100, 411 - 1 Street SE, Calgary, Alberta T2G 4Y5, Attention: VP, Corporate Finance, by email to [info@pieridaenergy.com](mailto:info@pieridaenergy.com), or in person at the Meeting, and must otherwise strictly comply with the dissent provisions set out in Section 190 of the CBCA, a copy of which is attached as Schedule E to this Circular. A Registered Shareholder who sends a Notice of Dissent is still entitled to vote on the Continuance Resolution; however, a vote in favour of the Continuance Resolution, either in person or by proxy, will deprive the Registered Shareholder of the Dissent Rights under Section 190 of the CBCA, including the right to be paid “fair value” for such Registered Shareholder’s Common Shares. A vote by a Registered Shareholder against the Continuance Resolution, either in person or by proxy, does not constitute a Notice of Dissent.

Within ten days after the Continuance Resolution has been adopted, the Corporation must give written notice to each Shareholder who has filed a Notice of Dissent (each, a “**Dissenting Shareholder**”) and has not (i) voted in favour of the Continuance Resolution or (ii) withdrawn that Shareholder’s Notice of Dissent, that the Continuance Resolution has been adopted. Within 20 days after receipt of this notice or, if the Dissenting Shareholder does not receive it, within 20 days after learning that the Continuance Resolution has been adopted, the Dissenting Shareholder must send to the Corporation a demand for payment (a “**Demand for Payment**”) setting out the Dissenting Shareholder’s name and address, the number of Common Shares in respect of which that Dissenting Shareholder dissents, and a demand for payment of the fair value of such Common Shares. Additionally, the Dissenting Shareholder must send the certificates for the Common Shares in respect of which that Dissenting Shareholder dissents to the Corporation or Odyssey within 30 days after sending the Demand for Payment. The Corporation or Odyssey must endorse the certificates with a notice that the holder is a Dissenting Shareholder under Section 190 of the CBCA and forthwith return the certificates to the Dissenting Shareholder. A Dissenting Shareholder who does not send the certificates representing the Common Shares within the 30-day deadline described above forfeits their rights under Section 190 of the CBCA.

The Corporation is not permitted to make a payment to a Dissenting Shareholder if there are reasonable grounds for believing that: (i) the Corporation is or would after the payment be unable to pay its liabilities as they become due; or (ii) the realizable value of the Corporation’s assets would be less than the aggregate of its liabilities following such payment.

The Corporation shall, not later than seven days after the later of the day on which the Continuance is effective and the day the Corporation receives the Demand for Payment, send either (i) an offer to pay (an “**Offer to Pay**”) in the amount considered by the Board to be the fair value of the Common Shares in respect of which the Dissenting Shareholder has dissented, or (ii) a notice to the Dissenting Shareholder that the Corporation is unable to lawfully pay Dissenting Shareholders for their Common Shares. An Offer to Pay must be accompanied by a statement showing how the fair value was determined. Every Offer to Pay made to a Dissenting Shareholder must be on the same terms as the Offer to Pay made to any other Dissenting Shareholder, and each such Offer to Pay lapses if not accepted within 30 days after being made. If the Offer to Pay is accepted, payment must be made by the Corporation within ten days of acceptance.

A Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value for such Common Shares pursuant to Section 190 of the CBCA, unless: (i) the Demand for Payment is withdrawn before the Corporation makes a written Offer to Pay; (ii) the Corporation fails to make a timely Offer to Pay to the Dissenting Shareholder and the Dissenting Shareholder withdraws the Demand for Payment; or (iii) the Continuance is not completed, in which case the Dissenting Shareholder’s rights are reinstated as of the date the Notice of Dissent was sent.

If the Corporation does not make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the date the Continuance is made effective or within such further period as a court of competent jurisdiction may allow, apply to the court to fix a fair value for the Common Shares of any Dissenting Shareholder. If the Corporation fails to so apply to the court, a Dissenting Shareholder may do so for the same purpose within a further period of 20 days or such other period as the court may allow. A Dissenting Shareholder is not required to give security for costs in any application to the court. Applications referred to in this paragraph may be made to a court of competent jurisdiction in

the place where the Corporation has its registered office or in the province where the Dissenting Shareholder resides, provided that the Corporation carries on business in that province.

If the Corporation makes an application to the court, it must give notice of the date, place, and consequences of the application, and of the Dissenting Shareholder's right to appear and be heard, to each Dissenting Shareholder who has sent the Corporation a Demand for Payment and who has not accepted an Offer to Pay. All Dissenting Shareholders whose Common Shares have not been purchased by the Corporation pursuant to an Offer to Pay made to such Dissenting Shareholder must be made parties to the application and are bound by the decision of the court. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be party to such application.

The court must fix a fair value for the Common Shares of all Dissenting Shareholders and may, in its discretion, appoint one or more appraisers to assist the court to fix the fair value. The court may also, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date the Continuance is effective until the date of payment of the amount so fixed. The final order of the court in the proceedings commenced by an application by the Corporation or a Dissenting Shareholder must be rendered against the Corporation and in favour of each Dissenting Shareholder. If the Corporation is unable to lawfully pay Dissenting Shareholders for their Common Shares pursuant to the final order from the court, the Corporation must notify each Dissenting Shareholder within ten days of the court making its final order. A Dissenting Shareholder who receives such a notice may, by written notice to the Corporation, (i) withdraw their Notice of Dissent and have their full rights as a Shareholder reinstated or (ii) retain its status as a claimant against the Corporation, to be paid as soon as the Corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Corporation but in priority to its Shareholders.

**Registered Shareholders who wish to exercise Dissent Rights should carefully review and strictly comply with the dissent procedures described in Section 190 of the CBCA attached to this Circular as Schedule E. Failure to strictly comply with the provisions of the CBCA and to adhere to the procedures established therein may result in the loss of all rights thereunder. It is recommended that Shareholders wishing to avail themselves of their rights under Section 190 of the CBCA seek independent legal advice, as failure to comply strictly with the provisions of the CBCA may result in the loss of Dissent Rights.**

## NOMINEES FOR ELECTION TO THE BOARD

### BIOGRAPHICAL INFORMATION REGARDING THE NOMINEES

#### MICHAEL BACKUS

MICHAEL BACKUS			
Status:	Independent Director		
Credentials:	B.Sc., Mechanical Engineering, ICD.D; P. Eng		
Age:	54		
Residence:	Calgary, Alberta, Canada		
Mr. Backus has over 25 years of experience in both large and smaller oil and gas producers in a variety of engineering, operational, finance and executive roles around the world, including Canada, US, UK, China, West Africa and the Middle East. He has worked across these jurisdictions developing depth and breadth in many different operating environments. Over the past decade, his experience has been focused on safety leadership and operational excellence, leading technical and operational teams to deliver results in a safe and efficient manner. Mr. Backus is currently the Chief Operating Officer (COO) for the Upstream division of Kiwetinohk Energy Corp., growth-oriented natural gas, oil and power company. In his role, he is responsible for the safe execution of the company's operations and development of their assets. Prior to joining Kiwetinohk in 2021, Mr. Backus previously held the roles of VP Canadian Operations at CNOOC Petroleum North America ULC (formerly Nexen Inc.), an oil and gas company, and Vice President, Operations and Development at Painted Pony Energy Ltd., an exploration and production company. He is also currently engaged with the technology startup community. Mr. Backus volunteers his time with Interger as a Business Advisor, and with Creative Destruction Lab as an advisor. Both organizations match senior business leaders with startup companies to provide mentorship. He is also a director of two private technology companies in the software and battery technology spaces. Mr. Backus holds designations as a Professional Engineer (P.Eng) with APEGA and as a certified director (ICD.D) with the Institute of Corporate Directors.			
Board memberships of other public corporations: none			
2024 Board and Committee Meeting Attendance		Voting Results from 2024 annual meeting	
n/a		For	n/a
		Against	n/a



## HARVEY DOERR

<b>Status:</b>	Independent Director
<b>Credentials:</b>	B.Sc., Mechanical Engineering, ICD.D
<b>Age:</b>	66
<b>Residence:</b>	Calgary, Alberta, Canada
Mr. Doerr has more than 29 years of full-time experience in the oil and gas industry, including broad exposure to domestic and international exploration and production, heavy oil and oilsands, offshore, refining, retail marketing, acquisitions and divestitures, strategic planning and government relations. He was previously Executive Vice President of Murphy Oil Corporation, a global oil exploration and production company, and was responsible for worldwide refining and marketing operations and strategic planning. Prior thereto, Mr. Doerr held various positions in the upstream oil and gas industry with Murphy Oil Corporation and affiliates, primarily in Canada. Since his retirement from Murphy Oil in 2009, Mr. Doerr has continued his career as a professional director, serving on the boards of directors of a number of public, private and not-for-profit corporations. Mr. Doerr earned a Bachelor of Science in Mechanical Engineering from the University of Alberta (1981). Mr. Doerr is a Professional Engineer, has completed the Advanced Management Program at Harvard Business School and holds the ICD.D designation from the Institute of Corporate Directors.	
Board memberships of other public corporations: <b>Coelacanth Energy Inc. (TSXV: CEI)</b>	
<b>2024 Board and Committee Meeting Attendance</b>	
n/a	
<b>Voting Results from 2024 annual meeting</b>	
	For
	n/a
	Against
	n/a

## DOUG DREISINGER

<b>Status:</b>	Independent Director
<b>Credentials:</b>	B.Sc. (Hons.), Chemical Engineering
<b>Age:</b>	64
<b>Residence:</b>	Calgary, Alberta, Canada
Doug Dreisinger is a veteran energy and chemical industry leader with over 40 years of experience spanning global markets. During his 20-year tenure at Nexen (now CNOOC), he rose to President of Global Energy Marketing & Trading, while earlier roles at Praxair/Linde established his expertise in commercializing new industrial gas technologies. Mr. Dreisinger previously held directorship positions with the Alberta Petroleum Marketing Commission (2014-18) and Connacher Oil & Gas (2015-22), where he played a pivotal role in a successful restructuring. His advisory portfolio includes helping innovative companies like Atlas Materials commercialize zero-waste nickel processing and supporting Phenom Resources in developing vanadium sources for battery storage applications. He brings deep expertise in natural gas markets, power generation, and corporate restructuring. A chemical engineering graduate from Queens University, he now leverages his comprehensive experience in business development, risk management, and mergers and acquisitions to drive sustainable growth and innovation in the energy and mineral processing sectors.	
Board memberships of other public corporations: <b>none</b>	
Mr. Dreisinger is a member of the GHRC and the Reserves & HSE Committee. He has been a Director of the Corporation since May 26, 2022	
<b>2024 Board and Committee Meeting Attendance</b>	
Board	11 of 11 regular, 9 of 9 ad hoc
Governance & HR	5 of 5
Reserves & HSE	4 of 4
<b>Voting Results from 2024 annual meeting</b>	
	For
	46,143,634 (74.14%)
	Against
	16,096,933 (25.86%)

## ANDREW JUDSON

<b>Status:</b>	Independent Director
<b>Credentials:</b>	B.A., MBA
<b>Age:</b>	57
<b>Residence:</b>	Calgary, Alberta, Canada
Mr. Judson is a director of Condor Energies Inc., a public Canadian company operating oil and gas developments in Turkey, Kazakhstan, and Uzbekistan. In November 2022, he joined the Board of Drift Resource Technologies Inc., a private Canadian oilsands development company. In November 2023, he joined the Board of Field Safe Solutions, a private company providing SaaS safety solutions. Mr. Judson also serves as a Senior Advisor for Fort Capital Advisors, a partner owned investment bank. Mr. Judson served on the Board of Bonavista Energy Corporation, a private Canadian energy producer, from May 2022 until it was sold in December 2023. Previously, Mr. Judson was a Managing Director of Camcor Partners Inc. and FirstEnergy Capital. Mr. Judson has more than 25 years of experience in Canadian energy capital markets and has advised some of the largest institutional investors in Canada, the U.S.A. and Europe on energy investments.	
Board memberships of other public corporations: <b>Condor Energies Inc. (TSX: CDR); Crown LNG Holdings Limited (NASDAQ: CGBS)</b>	
Mr. Judson is a member of the Audit & Risk Committee and the Reserves & HSE Committee. He has been a Director of the Corporation since October 24, 2017.	
<b>2024 Board and Committee Meeting Attendance</b>	
Board	11 of 11, 9 of 9 ad hoc
Audit & Risk	4 of 4
Reserves & HSE	4 of 4
<b>Voting Results from 2024 annual meeting</b>	
	For
	46,083,551 (74.04%)
	Against
	16,157,016 (25.96%)

## PATRICIA MCLEOD K.C.

<b>Status:</b>	Independent Director
<b>Credentials:</b>	B.Comm., LL.B., MBA, ICD.D, K.C.
<b>Age:</b>	56
<b>Residence:</b>	Calgary, Alberta, Canada
<p>Ms. McLeod, K.C. is an experienced corporate director and Board Chair, former senior legal executive and Privacy and Compliance Officer. Ms. McLeod held Vice President and General Counsel roles in energy utilities and electricity retail, property development, insurance, and financial services companies. She has extensive corporate/commercial legal experience as well as advised on mergers and acquisitions, business development and joint ventures for large infrastructure projects. Ms. McLeod also serves as Board Chair of FutEra Power Corp., a privately held geothermal power production company. Ms. McLeod is a former Board Chair of the Calgary Co-operative Association, the Calgary Film Centre, Real Estate Council of Alberta, YWCA Calgary and cSPACE Projects. She previously served as a corporate director on the boards of MINDD Inc., the Green Line Board, Bradley Air Services Ltd. (operating as First Air), Alberta Innovates, the Beverage Container Management Board, Calgary Economic Development and Vibrant Communities Calgary. She holds an MBA (Queens University) and Bachelor of Laws and a Bachelor of Commerce (University of Alberta) and an ICD.D (University of Calgary/Institute of Corporate Directors). Ms. McLeod has been recognized for her contributions, receiving the Queen Elizabeth II Platinum Jubilee Medal and accolades from BMO Financial and Women Get on Board as a top Canadian director as well as named one of Canada's Top 100 Most Powerful Women by WXN in 2018 and 2019 and Legal Advisor of the Year by Women in Finance Canada in 2019.</p>	
Board memberships of other public corporations: <b>none</b>	
Ms. McLeod has been the Chair of the Board since May 26, 2022. As Chair she is also an <i>ex officio</i> member of the Audit & Risk Committee, the Reserves & HSE Committee, and the GHRC. She has been a Director of the Corporation since May 26, 2022.	
2024 Board and Committee Meeting Attendance	
Board	11 of 11, 9 of 9 ad hoc
Committee Meetings	13 of 13
Voting Results from 2024 annual meeting	
For	46,088,880 (74.05%)
Against	16,151,687 (25.95%)

## DARCY REDING

<b>Status:</b>	Non-Independent Director
<b>Credentials:</b>	B.Sc., Chemical Engineering; P. Eng
<b>Age:</b>	56
<b>Residence:</b>	Calgary, Alberta, Canada
<p>Mr. Reding is the President &amp; CEO of Pieridae Energy Limited. He was appointed to the role in September 2023 after serving in the role of President &amp; COO since April 2021. Mr. Reding has over 34 years technical and leadership experience in the energy industry. Prior to joining Pieridae, Mr. Reding was Vice President, Operations and Geoscience at NAL Resources Management Ltd., a private exploration and production company with assets in western Canada, until its strategic combination with Whitecap Resources Inc. He also held positions with Norcen Energy, Northrock Resources, Samson Exploration and Enterra Energy. Mr. Reding obtained a Bachelor of Science in Chemical Engineering from the University of Calgary in 1990 and is a Professional Member of the Association of Professional Engineers and Geoscientists of Alberta (APEGA).</p>	
Board memberships of other public corporations: <b>none</b>	
Following his appointment to CEO in September 2023, Mr. Reding became a non-independent director of the Board. Mr. Reding attended all Board meetings since his appointment. He has been a Director of the Corporation since September 1, 2023.	
2024 Board and Committee Meeting Attendance	
Board	11 of 11, 9 of 9 ad hoc
For	61,942,161 (99.52%)
Against	298,406 (0.48%)

## KIREN SINGH

<b>Status:</b>	Independent Director
<b>Credentials:</b>	B. Comm., MBA, CFA, CRM, ICD.D
<b>Age:</b>	60
<b>Residence:</b>	Canmore, Alberta, Canada
<p>Ms. Singh is a corporate director and corporate executive. Ms. Singh serves on the board of directors of Computer Modelling Group (TSX: CMG) (Audit and Risk Committee) and Alberta Cancer Foundation (Audit and Finance Committee) and previously served on the boards of Travel Alberta (Chair, Audit, Finance and Risk Committee); Risk Dynamic Assessment Systems (Chair Audit and Risk Committee), and Agriculture Financial Services Corp. (Chair, Audit, Finance and Risk Committee). She holds a Master of Business Administration degree and a Bachelor of Commerce (Finance) degree (University of Calgary), as well as a Chartered Financial Analyst (CFA Institute), CRM (Global Risk Management Institute) and ICD.D (University of Toronto) designations. Ms. Singh is the founder and CEO of Haskalife, a privately held functional food and health ingredient company based in Alberta, Canada. Ms. Singh held senior executive roles including Chief Financial Officer, Vice President Risk Management and Treasurer during her 30-year international career in the energy sector where she led corporate and project financings and financial risk management programs representing privately held and publicly traded Canadian (Toronto Stock Exchange) and USA (New York Stock Exchange) corporations including Gibson Energy Inc., OPTI Canada Inc., Value Creation Inc., Exxon Mobil Corporation and Mobil Corporation in Calgary, AB, Fairfax, VA and Houston, TX.</p>	
Board memberships of other public corporations: <b>Computer Modelling Group (TSX: CMG)</b>	
Ms. Singh is a member of the Audit & Risk Committee and the GHRC. She was the Chair of the GHRC from October 6, 2022, until May 11, 2023, and has been the Chair of the Audit & Risk Committee since May 11, 2023. She has been a Director of the Corporation since May 26, 2020.	
2024 Board and Committee Meeting Attendance	
Board	11 of 11, 9 of 9 ad hoc
Audit & Risk	4 of 4
Governance & HR	5 of 5
Voting Results from 2024 annual meeting	
For	46,132,030 (74.12%)
Against	16,108,537 (25.88%)



## MAJORITY VOTING POLICY

Under the CBCA, in an uncontested director election, Shareholders may vote “for” or “against” each Nominee. A Nominee will be elected as a director only if the number of shares voted “for” that Nominee exceeds the number of shares voted “against” that Nominee. If the number of shares voted “against” any Nominee exceeds the number of shares voted “for” that Nominee, that Nominee will not be appointed as a director of the Corporation, provided that, if that Nominee is an incumbent director, such director may continue in office until the earlier of: (a) the day their successor is appointed; or (b) the 9<sup>th</sup> day after the election. The Board may not re-appoint an incumbent director who did not receive majority support at any time prior to the next annual Shareholders meeting other than in the following limited and defined circumstances: (a) to satisfy Canadian residency requirements; or (b) to satisfy the requirement that at least two directors are not also officers or employees of the Corporation or its affiliates. Any director Nominee who fails to be elected may be nominated again at the next meeting of Shareholders at which there is an election of directors.

## GOVERNANCE

### BOARD OF DIRECTORS

The mandate of the Board is to supervise the management of the affairs of the Corporation and to act in the best interests of the Corporation. The Board has a written mandate which includes a position description of the Chair, the text of which is reproduced in Schedule F to this Circular. The Chair of the Board is an independent director.

The Board meets at least once quarterly and at each meeting it reviews the activities of the Corporation. The frequency of the meetings of the Board and the nature of the items on the agenda will vary depending on the activities and priorities of the Corporation. The non-executive directors do not hold regularly scheduled meetings at which members of Management are not in attendance. However, during each meeting of the Board and each meeting of its Committees, an in-camera session is held which excludes members of Management (including directors who hold an executive office).

Pursuant to NI 52-110, a director is “independent” if such director has no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director’s independent judgment. After reviewing the roles and relationships of each of the directors, the Board has determined that six out of the seven directors being proposed for election are independent. Darcy Reding is the President and Chief Executive Officer (“CEO”) of the Corporation and is therefore considered to be a non-independent director pursuant to NI 52-110, while all other directors being proposed for election are considered to be independent directors.

Each director, whether or not considered independent under NI 52-110, is expected to exercise independent judgment at all times when discharging their responsibilities as a director of the Corporation. The Board is able to exercise independent supervision over Management due to the fact that a majority of the members of the Board and of each of its Committees is composed of non-executive directors and at every meeting of the Board and of each of its Committees, the non-executive directors on the Board and each Committee meet in-camera in the absence of Management. In addition, the Board’s responsibilities include the appointment of the CEO, the approval of the CEO’s primary duties as well as the terms and conditions (including compensation) of the CEO’s employment by the Corporation. The role and responsibilities of the CEO are delineated and described in the Mandate of the Board and in the various policies approved by the Board and adopted by the Corporation, including the Delegation of Authority Policy.

### NOMINATION OF DIRECTORS

The GHRC is responsible for establishing and reporting a director succession plan and a candidate identification and nomination process to the Board. To this end, the Committee develops and recommends selection criteria for potential candidates that strives to attain a diversity of competencies, genders, personal qualities, geographical representations, business background, cultural backgrounds, experience, overall expertise, financial competency, and independence, considering the Corporation’s circumstances and needs.

Additionally, the GHRC must adhere to the Corporation's obligations under the Investor Rights Agreement when considering candidates for nomination to the Board. In accordance with the Investor Rights Agreement, AIMCo has the right to designate two nominees for election to the Board (each, an “**AIMCo Nominee**”). Any AIMCo Nominee must meet certain qualifications, including but not limited to, meeting any requirements to serve as a director under the CBCA and applicable securities laws and agreeing in writing to comply with all policies of the Corporation applicable to directors. AIMCo's Board nomination rights will terminate at such time that AIMCo, together with its affiliates, owns or exercises control or direction over less than 10% of the outstanding voting shares of the Corporation.

At least annually, the GHRC will conduct an assessment of the Board and each Committee regarding their performance, effectiveness, and contribution and report such findings to the Board, taking into consideration (a) in the case of the Board or a Committee, its mandate and (b) in the case of an individual director, any applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board.

At least annually, the GHRC will assess the current composition, operation and organisation of the Board and the Committees, considering legal, contractual and regulatory requirements with a view to facilitating effective decision making, and make recommendations relating to the foregoing to the Board for approval.

### **Adoption of Director Term Limit Policy**

The Corporation has adopted a Term Limit Policy limiting a director's engagement to a maximum of 10 years commencing October 24, 2017, or, if the individual was not engaged with the Corporation as a director on that date, the first day that the individual became a director.

### **ORIENTATION AND CONTINUING EDUCATION**

As new directors are elected to the Board, they are provided with an in-depth orientation program which typically consists of fulsome presentations from Management as well as site visits and facility tours. Presentations generally cover the Corporation's history, strategy, operations, risks, financial reporting, Code of Conduct (as defined herein), other key policies, and budgeting process. New directors also receive copies of all Board and Committee mandates, workplans and other key governance documents.

Directors keep themselves informed by receiving, in advance, information and materials relevant to upcoming Board and Committee meetings. In accordance with the Board Mandate, the Corporation's directors also keep informed on key strategic, risk and governance topics through review of relevant publications and attendance at continuing education seminars and discussions. Board education topics in 2024 included cyber security, enterprise risk management, the regulatory hearing process, and a site visit to the Waterton Gas Plant. With respect to cyber security risk, the directors each complete mandatory quarterly cyber security training. Directors are expected to independently update their knowledge base on relevant matters and the Corporation supports them in updating or improving their skills by allocating an annual budget of \$2,000 per director for relevant education and professional development activities in conjunction with the expectation of a co-contribution from each director.

The Corporation offers a program of voluntary seminars, webinars and “lunch and learn” sessions to all employees, including directors, on topics of importance to the Corporation. In 2024, topics included regulatory hearing processes, enterprise risk management, cybersecurity and leadership and people culture. The company also provided the Board with access to company sessions on indigenous relations, *Technology Innovation and Emissions Reduction Regulation, Alta Reg 133/2019 (“TIER”)* and carbon emissions, Canada's carbon tax, gas marketing and hedging, various health, safety and environmental topics, and periodic town hall updates.

### **BOARD COMMITTEES**

The Board has the following three standing Committees: the Audit & Risk Committee, the GHRC, and the Reserves & HSE Committee. The Board has adopted a written mandate for each Committee. Each such mandate includes a position description for the Chair of each Committee. The Board ensures the proper functioning of itself and each Committee by annually reviewing and assessing the effectiveness and contribution of individual directors. The Board Chair and CEO attend each committee as *ex officio*.

Following the Meeting, the Board will appoint the members of each Committee based on each Nominee's education, experience, skills and competencies. Information regarding the education and experience of each Nominee is available under "BIOGRAPHICAL INFORMATION REGARDING THE NOMINEES". Information regarding competencies and skills of each Nominee is available under "COMPETENCIES AND SKILLS OF DIRECTORS". Pursuant to the Investor Rights Agreement, the Board must appoint one AIMCo Nominee to each of the Audit & Risk Committee, the GHRC, the Reserves & HSE Committee, and any additional standing committee which may be established by the Board from time to time.

### **Audit & Risk Committee**

As of the date hereof, the Audit & Risk Committee is comprised of Kiren Singh (who serves as the Chair), Charles Boulanger, Gail Harding and Andrew Judson (each of whom is considered to be an independent member).

Ms. Singh is an Audit Financial Expert. An Audit Financial Expert is any person who is a (a) chartered accountant, (b) chartered professional accountant, (c) current or former Chief Financial Officer ("CFO") of a public company or corporate controller of similar experience, (d) current or former partner of an audit firm or company, or (e) someone having similar meaningful audit experience.

Additional information regarding the relevant education and experience of each Audit & Risk Committee member, the amount and nature of the fees that were paid by the Corporation to its external auditors, and a copy of the mandate for the Audit & Risk Committee are disclosed on page 28 and Appendix D respectively of the Annual Information Form of the Corporation for the year ended December 31, 2024, a copy of which can be found under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and which was filed on SEDAR+ on March 19, 2025.

With regards to ESG matters, the Audit & Risk Committee reviews the financial data related to ESG and ensures that processes and procedures are in place to verify the accuracy and completeness of the Corporation's quantitative reporting of this data. At least annually, the Audit & Risk Committee reviews it and its members education activities to ensure they remain educated on the latest rules, regulations, industry trends and best practices regarding ESG and climate-related issues specific to the scope of the Committee.

### **Governance & HR Committee**

As of the date hereof, the GHRC is comprised of Gail Harding (who serves as the Chair), Richard Couillard, Doug Dreisinger and Kiren Singh (each of whom is considered to be an independent member).

The primary objective of the GHRC is to assist the Board in carrying out its duties and responsibilities regarding corporate governance, overseeing executive officer compensation and performance and reviewing public disclosure related to governance, executive and director compensation, Board, individual director and committee effectiveness, director compensation, director nominations and reviewing public disclosure of ESG matters.

It also provides oversight of the Corporation's human resources strategy, policies, and programs with special focus on Management development and succession and leadership planning.

It is responsible for recommending policies regarding the director nomination process and assessing the qualifications, expertise, and characteristics of Board members, with the goal of a diverse, experienced, and high-quality representation. In so doing, the CGHR will consider such factors as independence, integrity, diversity, age, skills matrix and willingness and ability to devote adequate time and effort to Board responsibilities.

The GHRC is also charged with the overall responsibility of reviewing and recommending the Corporation's compensation philosophy, compensation policies that reward the creation of Shareholder value and reflect an appropriate balance between short and long-term performance and monitoring the implementation of those policies.

To that end, it is specifically responsible for monitoring the implementation of compensation policies, periodically reviewing compensation policies, periodically reviewing compensation practices and plans of the Corporation, recommending

appropriate changes to the Board for consideration, administering the Corporation's incentive plans, including the Stock Option Plan, Restricted Share Unit Plan ("**RSU Plan**") and Deferred Share Unit Plan ("**DSU Plan**") in accordance with their terms and recommending to the Board the granting of incentives as appropriate. The GHRC annually reviews and recommends to the Board for approval the goals and objectives of the Corporation, CEO's performance, and compensation and periodically reviews the level of compensation of the members of the Board and its committees and recommends appropriate changes to the Board for consideration.

In discharging its responsibilities, the GHRC may seek the advice of the CEO. However, the CEO will not participate in the deliberations of the GHRC or the Board regarding the evaluation of the CEO's performance or on matters concerning CEO compensation. The GHRC may not delegate any of its responsibilities under its mandate to another entity or to an individual without the approval of the Board.

With regards to ESG, following annual receipt and review of financial and key performance indicator ("**KPI**") information and related recommendations from each of the Audit & Risk and Reserves & HSE Committees, the GHRC may offer guidance and recommendations to the Board regarding the Corporation's ESG framework. In addition, it considers and recommends policies that conform with this framework. In conjunction with the CEO, it assists the Board in setting the Corporation's general strategy on ESG matters including, among other things, the identification and management of material ESG risks and opportunities, reviewing any concomitant ESG goals, setting realistic future targets, and the integration of such matters into the business strategy, processes, and compensation philosophy of the Corporation.

### Reserves & HSE Committee

As of the date hereof, the Reserves & HSE Committee is comprised of Richard Couillard (who serves as the Chair), Charles Boulanger, Doug Dreisinger and Andrew Judson (each of whom is considered to be an independent member).

Pursuant to National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), the Board has delegated to the Reserves & HSE Committee responsibility for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities and reviewing and reporting to the Board on: (a) the Corporation's procedures relating to the disclosure of such information; (b) the appointment of, or any changes to, the independent consultant engaged to report on the Corporation's oil and gas reserves; and (c) the Corporation's procedures for providing information to the consultant.

The Reserves & HSE Committee reviews the Corporation's HSE KPIs and ensures that processes and procedures are in place to verify the accuracy and completeness of the quantitative reporting of these KPIs. At least annually, the Board ensures the Reserves & HSE Committee, and its members remain educated on the latest rules, regulations, industry trends and best practices regarding ESG and climate-related issues specific to the scope of the Reserves & HSE Committee.

Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultant's report required under NI 51-101, the Reserves & HSE Committee meets with responsible management of the Corporation and the independent consultant to review the evaluation report and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the Statement of Reserves Data and Other Oil and Gas Information and related reports required under NI 51-101.

### COMPETENCIES AND SKILLS OF DIRECTORS

The following table provides an indicative list of the skills, experience and competencies desired for the directors. This list is reviewed annually and modified as required in order to meet the needs of the Corporation:

TABLE 3

SKILL/EXPERIENCE	COMPETENCY
Strategic Planning	Experience with developing, executing, and evaluating business strategies to create value.
Business Development	Experience in evaluating and executing on, value creation opportunities through acquisitions, divestitures, mergers, or developmental opportunities.

SKILL/EXPERIENCE	COMPETENCY
Enterprise Risk Management	Experience in identifying, evaluating, and managing a broad range of risks faced by an organization.
Oil & Gas Operations	Experience with oil and gas operations.
Reserves Evaluation	Experience with oil and natural gas reserves evaluation and reporting.
Health & Safety	Experience with regulations and workplace health and safety.
Audit & Financial Reporting	Experience in reading and analyzing financial statements and projections and a strong understanding of IFRS reporting standards and internal controls over financial reporting.
Capital Markets	Experience in capital markets, corporate finance, investor relations and banking matters.
Environmental, Social, Governance	Experience or a strong understanding of good corporate governance and corporate responsibility practices, including ESG disclosure.
Human Resources & Compensation	Experience with human resource matters including compensation structures, talent management and succession planning at the executive level.
Legal and Regulatory	Broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, incentive and taxation policies or a legal background in more than one of these areas.
Information Technology & Cyber Security	Experience with information security practices, standards, and controls to protect assets, systems, data and networks from damage and unauthorized access.
Audit Financial Expert	Is either a chartered accountant or certified public accountant, a former or current CFO or corporate controller of a public company, a current or former partner of an audit firm or a person with similar meaningful audit experience.

The following table summarizes the level of experience, background, and technical expertise of each Nominee, as self-declared by each Nominee, with respect to the noted categories of director competencies and skills. These competencies and skills are relevant and important to the Corporation because they enable the Corporation to discharge its statutory and common law responsibilities.

**TABLE 4**

	RANGE						
	3 = HIGH EXPERTISE		2 = MODERATE EXPERTISE		1 = MINIMAL OR NO EXPERTISE		
	MICHAEL BACKUS	HARVEY DOERR	DOUG DREISINGER	ANDREW JUDSON	PATRICIA MCLEOD	KIREN SINGH	DARCY REDING
Strategic Planning	3	3	3	2	3	3	2
Business Development	2	3	3	3	3	3	3
Enterprise Risk Management	2	3	2	2	3	3	2
Oil & Gas Operations	3	3	3	2	2	2	3
Reserves Evaluation	3	3	3	3	1	1	3
Health & Safety	3	3	3	2	2	2	3
Audit & Financial Reporting	2	2	2	2	2	3	2
Capital Markets	3	2	3	3	2	3	2
ESG	3	2	2	2	3	3	2
Human Resources & Compensation	2	3	3	2	3	2	2
Legal & Regulatory	2	2	2	2	3	2	2
IT & Cyber Security	1	2	2	1	2	2	2
Audit Financial Expert						X	

## MANAGEMENT CONTRACTS

There are no management functions of the Corporation or any of its subsidiaries that are performed to any substantial degree by persons other than their respective directors or executive officers.

## ETHICAL BUSINESS CONDUCT

The directors and Management of the Corporation lead by example in setting the highest standards in ethical business conduct.

The Board has adopted a written code of conduct for the directors, officers, and other employees of the Corporation (the “**Code of Conduct**”). The Code of Conduct is posted on the website which the Corporation maintains at <https://www.pieridaenergy.com>.

In addition, the Corporation has adopted and maintains a Whistleblower Policy whereby individuals are invited to report incidents of actual or suspected non-compliance with any policy adopted by the Corporation, via a third-party email address to the Chair of the GHRC if the matter relates to non-compliance with the Code of Conduct or other matters generally related to the Corporation or its business, or to the Chair of the Audit & Risk Committee if the matter relates to financial, auditing or internal controls. All such reports are investigated in accordance with the Whistleblower Policy.

The Board has approved, and the Corporation has adopted, a Disclosure Policy which requires, inter alia, the disclosure of conflicts of interest. When the Board becomes aware of a transaction or an agreement in which a director or executive officer has a material interest, that transaction or agreement is carefully considered by those directors who do not have a conflict of interest and is discussed and voted upon by them without the participation of any director or executive officer who has the potential conflict of interest.

## ESG COMMITMENT

The Corporation believes integrating ESG through all aspects of the organization is a key factor to sustainable operational and financial success. The Corporation focuses on supporting long-term sustainability while driving positive results for Shareholders, the community, and the environment. The Corporation planned to issue its fourth annual ESG report in 2024 for the year ended December 31, 2023; however, recent amendments to the *Competition Act*, RSC 1985, c C-34, and the absence of any transition period or guidance from the federal government, have created uncertainty with respect to how organizations can communicate about their environmental performance. The Corporation remains committed to meeting or exceeding all environmental and safety standards applicable to our business and continues to prioritize the safety and security of employees, contractors, customers, neighbours and the environment. We will monitor developments relating to the *Competition Act*, and will re-evaluate our disclosure, including the publication of an annual ESG report, as more clarity is obtained.

The Corporation also completed its first report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c. 9, in 2024.

## CYBER SECURITY RISK

The Corporation was not materially impacted by a cyber security breach in 2024. Acknowledging the potential loss that can result from cyber security breaches and the escalating risk cyber security breaches pose globally, the Board monitors this risk at least annually and receives quarterly updates on the Corporation’s risk mitigation activities. The Corporation maintains an ongoing Virtual Chief Security Officer consulting agreement with a third-party cyber security advisory firm in addition to employing a robust internal IT and cyber security workforce. Additionally, a cyber risk assessment process and resulting gap identification and remediation activities are ongoing, along with periodic cyber emergency response planning exercises. Previously identified high risk gaps were and continue to be remediated through the procurement and implementation of additional software tools, the revision of certain IT policies and procedures and continued Corporation-wide mandatory cyber security training.

## CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

Except as noted below, to the knowledge of the Corporation, none of the Nominees are, as at the date of this Circular, or have been, within the 10 years before the date of this Circular, a director, CEO or CFO of any company (including the Corporation) that: (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30



consecutive days (an “**Order**”) that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Except as noted below, to the knowledge of the Corporation, none of the Nominees are, as at the date of this Circular, or have been within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, no Nominee 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 that person.

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

Mr. Doug Dreisinger was a director of Connacher Oil and Gas Limited (“**Connacher**”) from June 3, 2015, to September 30, 2019. In May 2016, Connacher announced that, due to high debt and depressed oil prices, amongst other things, it had initiated proceedings at the Court of Queen’s Bench of Alberta to seek creditor protection under the Companies’ Creditors Arrangement Act (“**CCAA**”). On May 16, 2016, the TSX suspended trading of Connacher’s common shares subject to an expedited review of Connacher’s ability to meet the requirements for continued listing. Effective June 20, 2016, the common shares ceased to be listed on the TSX for failure to meet continued listing requirements. Connacher obtained a stay of proceedings, among other things, under the CCAA pursuant to an Initial Order dated May 17, 2016. Under the Initial Order, Ernst & Young Inc. was appointed Monitor of Connacher during the CCAA proceedings. The stay of proceedings was extended multiple times to assist Connacher in undertaking two sale and investment solicitation processes. On September 30, 2019, Connacher announced that the Amended and Restated Plan of Compromise and Arrangement (the “**Plan**”) dated July 16, 2019, was sanctioned by the Court of Queen’s Bench of Alberta on July 16, 2019, in the proceedings under the CCAA. The Plan became effective September 30, 2019. All existing equity interests (including outstanding common shares) were cancelled for no consideration and the first lien lenders (First Lien Credit Agreement May 23, 2014) acquired all of Connacher’s new share capital and Connacher ceased to be a reporting issuer. Upon the successful completion of the Plan, Mr. Dreisinger resigned from the Board. In January 2020, Mr. Dreisinger joined the “new” privately held Connacher as a director until November 2022.

## DIRECTOR COMPENSATION

### DIRECTOR COMPENSATION POLICY

The Board, through the GHRC, is responsible for developing and implementing the directors’ compensation program. The directors’ compensation program is designed to reflect:

- the imperative of attracting and retaining knowledgeable and experienced individuals who have integrity and who possess the specific skills commensurate with the Corporation’s requirements and objectives;
- external market competitiveness for talent and the principles of equity and fairness while recognizing the Corporation’s objectives of fiscal prudence and good governance;
- the need to align the Corporation’s long-term success with the basis of compensation;
- the importance of recognizing the additional responsibilities undertaken by the Chair of the Board and the Chair of each Committee; and
- the application of the Share Ownership Policy which serves to align the directors’ interests with the interests of Shareholders.

## Director Fees

Following receipt of a benchmarking study from independent compensation advisor Mercer Canada Limited (“**Mercer**”) in 2023, which considered compensation structure and policies of the Corporation’s peer group, the Corporation adopted a Director Compensation Policy pursuant to which directors receive a maximum of 75% of their total base compensation in cash and a minimum of 25% in the form of DSUs under the DSU Plan, with an option to increase the allocation to DSUs to 100%, as detailed in the table below. The Chair of the Board and each Committee Chair receives further cash retainers in recognition of their additional responsibilities. There are no other components of director compensation.

**TABLE 5**

POSITION	2024 Total Annual Compensation (Fees & DSUs)				
	Cash Retainer (assumes max 75% allocation)	DSU Grant (assumes min 25% allocation)	Total Base Compensation	Board/ Committee Chair Compensation	Total Director Compensation
Chair of the Board <sup>(1)</sup>	\$63,750	\$21,250	\$85,000	\$50,000	\$135,000
Chair of the Audit & Risk Committee	\$63,750	\$21,250	\$85,000	\$15,000	\$100,000
Chair of all other Committees	\$63,750	\$21,250	\$85,000	\$10,000	\$95,000
Other Directors	\$63,750	\$21,250	\$85,000	-	\$85,000

<sup>(1)</sup> In 2024, the Board, on the recommendation of the GHRC, approved an amendment to the Director Compensation Policy to align the Total Base Compensation for the Chair of the Board with the other directors, and to instead increase the cash retainer paid to the Chair of the Board in recognition of the Chair’s additional responsibilities.

## THE DEFERRED SHARE UNIT PLAN

The DSU Plan is designed to align the interests of the directors with those of the Shareholders of the Corporation and to provide a compensation system for directors that, together with the balance of the director compensation package, is reflective of the responsibility, commitment, and risk accompanying Board membership and the performance of the duties required of the various Committees of the Board, while balancing the need for Board independence.

Only fees that would otherwise be paid to a director pursuant to the Director Compensation Policy are eligible to be paid in DSUs on a value-for-value exchange; the Plan prohibits discretionary grants.

As discussed above, the Director Compensation Policy requires that the Total Base Compensation be paid in a combination of cash and DSUs. Each director must elect to receive a minimum of 25% of their Total Base Compensation in DSUs, however a director may elect to receive up to 100% of their Total Base Compensation in DSUs. The annual allocation percentage is nominated by each director no later than fifteen (15) days prior to the start of the calendar year in which the Total Base Compensation is to be earned. In the case of a newly elected director, the percentage is to be nominated within thirty (30) days from the date of the meeting of Shareholders at which they were elected as director.

DSUs are notional securities granted to a director and are related directly to the Common Share price performance from the grant date to the date on which the DSUs are settled in cash. DSUs vest immediately upon grant but cannot be settled until a director ceases to hold office.

The cash retainer payment and DSU grant are each made at or about the end of the first pay period following the end of each calendar quarter. The value of DSUs granted is calculated by dividing the dollar amount of the compensation payable in DSUs on the grant date by the volume weighted average trading price of the Common Shares for the last five (5) trading days of the immediately preceding calendar quarter.

On the date when a director ceases to hold office (the “**Termination Date**”), the DSUs are redeemed, and the settlement amount is calculated by multiplying the number of DSUs held by the volume weighted average trading price of the Common Shares on the Exchange for the five (5) trading days immediately preceding the Termination Date. This settlement formula thereby establishes an additional alignment between the directors’ interest and remuneration and the interests of Shareholders.



DSUs are settled as soon as practical following the date the director ceases to hold office and before December 31 of the calendar year commencing immediately after the Termination Date.

## DIRECTOR COMPENSATION TABLE

The following table sets forth information with respect to all compensation elements paid to the non-executive directors of the Corporation during the year ended December 31, 2024.

TABLE 6

(a) NAME	(b) FEES EARNED <sup>(1)</sup>	(c) SHARE- BASED AWARDS <sup>(2)</sup>	(d) OPTION- BASED AWARDS	(e) NON- EQUITY COMPENSA- TION	(f) PENSION VALUE <sup>(3)</sup>	(g) ALL OTHER COMPENSA- TION	(h) TOTAL COMPENSA- TION
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Charles Boulanger	63,750	21,250	-	-	-	-	85,000
Richard Couillard	52,500	42,500	-	-	-	-	95,000
Doug Dreisinger	55,250	29,750	-	-	-	-	85,000
Gail Harding	52,500	42,500	-	-	-	-	95,000
Andrew Judson	63,750	21,250	-	-	-	-	85,000
Patricia McLeod	67,500	67,500	-	-	-	-	135,000
Kiren Singh	78,750	21,250	-	-	-	-	100,000

<sup>(1)</sup> Represents the cash portion of fees made or due to directors for services in 2024, as set forth in the Director Compensation Policy.

<sup>(2)</sup> The estimated fair value of these DSU awards is based on the five (5) day volume weighted average price for the immediately preceding trading days prior to the grant date. DSUs granted vest immediately but cannot be redeemed until a director ceases to hold office.

<sup>(3)</sup> The Corporation does not have a pension plan.

For the year ended December 31, 2024, the directors of the Corporation earned an aggregate of \$680,000 in total compensation (inclusive of share-based awards and all other compensation). The directors are reimbursed for all reasonable expenses incurred in the execution of their functions as directors of the Corporation. The aggregate total of such expenses was \$20,176 for the year ended December 31, 2024.

## OPTION-BASED AWARDS

No option-based awards were granted to directors during 2024.

## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides the value vested in relation to awards held by each non-executive director during the financial year ended December 31, 2024.

TABLE 7

NAME	OPTION-BASED AWARDS (VALUE VESTED DURING THE YEAR) (\$) <sup>(1)</sup>	SHARE-BASED AWARDS (VALUE VESTED DURING THE YEAR) (\$)
Charles Boulanger	Nil	\$21,250
Richard Couillard	Nil	\$42,500
Doug Dreisinger	Nil	\$29,750
Gail Harding	Nil	\$42,500
Andrew Judson	Nil	\$21,500
Patricia McLeod	Nil	\$67,500
Kiren Singh	Nil	\$21,250

<sup>(1)</sup> No option-based awards were granted to non-executive directors in 2024. Options granted to non-executive directors in prior years vested immediately upon grant.

## EXECUTIVE COMPENSATION

For the financial year ended December 31, 2024, the Corporation's named executive officers (each an "NEO" and collectively, the "NEOs") were Darcy Reding (President & CEO), Adam Gray (CFO), John Emery (COO), Paul Kunkel (CCO) (together "Executive Officers") and Yvonne McLeod (VP, Drilling & Completions, Health, Safety, Environment & Regulatory).

### COMPENSATION DISCUSSION AND ANALYSIS

#### *Objectives of NEO Compensation Program and Compensation Philosophy*

The objectives of the Corporation's executive compensation program are to: (a) attract, motivate and retain highly qualified and dedicated individuals; (b) align the interests of the executive with those of the Corporation's Shareholders; (c) establish an objective connection between executive compensation and the Corporation's short term and long term financial and business performance and (d) incentivize the executives to lead the Corporation in achieving its corporate objectives and fulfilling its corporate strategy. The executive compensation program is, therefore, designed to align executive compensation with Shareholder value.

The GHRC's review and evaluation of corporate compensation includes measurement of, among other factors, and with regards to the Corporation's short term incentive plans: (a) the achievement of corporate objectives which include ESG metrics, and (b) the Corporation's financial condition. The Corporation's long-term incentives are directly linked to the Corporation's Common Share price, thereby aligning executive compensation with the creation of long-term value for Shareholders. The Board recognizes the importance of ensuring that overall compensation for NEOs is not only internally equitable, but also competitive with other energy market companies.

Compensation policies, practices, amounts and structures are reviewed annually taking into consideration "best practices" recommended by proxy advisor groups, benchmarks reported by the Corporation's independent compensation advisor, Mercer, prevailing market conditions, and corporate performance.

With respect to benchmarking, as a guideline the Corporation strives to align executive compensation with the P50 market baseline determined by a peer group selected by the Board with assistance from Mercer. Corporate performance is assessed against pre-determined corporate goals and metrics which are aligned with the strategic priorities of the Corporation as determined annually by Management and the Board. The Corporation's peer group was selected following third party assessment of energy companies in Western Canada of similar characteristics such as production, assets, enterprise value and EBITDA and is detailed in the table below.

**TABLE 8**

PEER GROUP			
Advantage Energy Ltd.	Obsidian Energy Ltd.	Pine Cliff Energy Ltd.	InPlay Oil Corp.
Tamarack Valley Energy Ltd.	Kelt Exploration Ltd.	Bonterra Energy Corp.	Petrus Resources Ltd.
Athabasca Oil Corporation	Cardinal Energy Ltd.	Yangarra Resources Ltd.	Perpetual Energy Inc. <sup>2</sup>
Crew Energy Inc. <sup>1</sup>	Surge Energy Ltd.	Journey Energy Inc.	Prairie Provident Resources Inc.

<sup>(1)</sup> Crew Energy Inc. was acquired by Tourmaline Oil Corp. on October 1, 2024.

<sup>(2)</sup> Perpetual Energy Inc. merged with Rubellite Energy Corp. on October 31, 2024.

#### *Executive Compensation Governance*

In 2023, the GHRC engaged Mercer to conduct a comprehensive market analysis of the Corporation's executive compensation program, covering base salary, short term incentives, and long term incentives. The results of the analysis indicated that the Corporation's short term incentive plan ("STIP") was generally competitive and aligned with its peers, but base salary and the long term incentive plan ("LTIP") required adjustments over time to better reflect market practices and expectations.

Based on the market analysis and feedback, the GHRC initiated several actions in 2023 and through 2024 to improve the alignment of the Corporation's executive compensation program with its peers and the market. These actions included:

- Reviewing and approving a corporate compensation framework, which establishes the salary ranges for each job level and job type within the organization and provides a mechanism to adjust ranges over time to reflect market movements. The Board approved the corporate compensation framework at its February 2024 meeting.
- Adjusting the base salary of certain Executive Officers who were significantly below the median (P50) of the peer group to bring them within the P50 range contextualized by individual job responsibilities and performance, within the Corporation's compensation philosophy. The GHRC recommended these adjustments to the Board, which approved them at its February 2024 meeting.
- Adjusting the STIP performance multiplier maximum from 150% to 200% for Executive Officers to align STIP performance ranges with the Corporation's peer group, which the Board approved at its February 2024 meeting.
- Reviewing the benefits package provided to Executive Officers in January 2024 and finding it aligned to market and peer group practices, resulting in no changes
- Revising the quantum and structure of Executive Officer long term incentive programs, which currently consists of RSUs and stock options; progress continues to be made toward the future introduction of performance share units ("PSUs") as a new component of the plan, in alignment with the Mercer executive compensation study commissioned in 2023 which found the value of LTIP granted, as a percentage of base compensation, to be significantly below the median of the peer group. The GHRC also initiated an internal review of peer management information circulars to assess comparative long term incentive plan designs and performance criteria. The GHRC is in the process of developing a revised corporate LTIP that will balance the retention, performance, and alignment objectives of the plan.

### **Fees Paid to Advisors**

The following table discloses fees paid to Mercer for each of the Corporation's two most recently completed financial years.

**TABLE 9**

	2024	2023
Executive Compensation-Related Fees <sup>(1)</sup>	\$19,836	\$87,877
All Other Fees <sup>(2)</sup>	-	\$10,200

<sup>(1)</sup> Includes aggregate fees, less GST, billed by Mercer for services related to a review of compensation for the Corporation's directors and Executive Officers.

<sup>(2)</sup> Reflects amount paid to Mercer for an energy sector compensation survey data file.

### **Summary of Executive Compensation**

As illustrated in the table below, the Corporation's 2024 compensation program for its NEOs consisted of two principal components: (a) fixed compensation consisting of base compensation, health benefits and contributions to savings plans and (b) variable compensation awarded under short and long-term incentive plans. The Corporation's STIP is a discretionary cash bonus program designed to align individual performance with the short-term annual goals of the Corporation. The Corporation's LTIP is comprised of a Stock Option Plan and RSU Plan, both of which are designed to align individual performance with the long-term strategic goals of the Corporation. An RSU is a share-based cash settled award. While each component has a different function, as described in greater detail below, all elements operate in unison to reward the NEOs appropriately for personal and corporate performance.

**TABLE 10**

Position	Base Salary <sup>(1)</sup>	STI (Discretionary Bonus)	LTI (RSUs and Stock Options)	Target Total Direct Compensation
	\$	% Base Salary		\$
President & CEO	384,000	100%	100%	1,152,000
CFO	288,500	75%	100%	793,375
COO	300,000	75%	100%	825,000
CCO	270,200	75%	100%	743,050
VP, Drilling & Completions, Health, Safety, Environment & Regulatory	250,000	30%	75%	512,500

<sup>(1)</sup> Reflects NEO base compensation effective December 31, 2024.

### **Base Compensation**

The Corporation has written employment agreements in place with each of its employees which require the Corporation to pay base compensation in consideration for the performance of their respective duties.

The payment of base compensation, in amounts which are comparable to the amounts paid to similar positions in the energy industry, is essential to the Corporation's ability to attract and retain executive talent. Base compensation and changes in base compensation are established by the Corporation after consideration of expertise and experience as well as level of responsibility and competitive pay practices. Base compensation is reviewed periodically and adjusted as appropriate by the Corporation to reflect performance and market conditions. Amendments to the CEO's base compensation are subject to approval of the Board taking into consideration recommendations of the GHRC. The CEO is responsible for determining and approving amendments to the base compensation of the other NEOs within the compensation framework approved by the Board.

### **Group Retirement Savings Plan**

The Corporation does not have a pension plan. In lieu thereof, the Corporation implemented a group retirement savings plan in 2019. The Corporation's group retirement savings plan is a non-equity, non-incentive plan that is available to all employees. This plan is sponsored by the Corporation and is administered by Manulife Insurance Corporation.

The plan's primary purpose is to provide a flexible and multi-faceted retirement savings vehicle to assist employees in saving for their retirement. This plan offers each participating employee the ability to make personal contributions to the plan (up to certain prescribed limits) which the employee may designate toward a registered retirement savings plan (or spousal registered retirement savings plan), a tax-free savings account or a non-registered savings plan. The Corporation contributes an amount equal to 6% of base salary to the registered retirement savings plan of each participating employee and an additional amount equal to the lesser of the contribution made by the participating employee to the group retirement savings plan and 4% of the employee's base salary.

### **Short Term Incentive Plan – Discretionary Bonus Program**

The Corporation's STIP is a discretionary, cash based, non-equity bonus program. Annual payout is based on a quantitative assessment of pre-set operations, finance, HSE, ESG and strategic commercial performance objectives. Participation in the program is a component of overall compensation. The program is designed to incentivize executives to meet annual, short-term, pre-determined goals which are aligned to improve the overall performance of the Corporation. The discretionary bonus program also serves to assist the Corporation in rewarding and retaining valued executives. If warranted for performance or other reasons, special cash bonuses may also be issued under the STIP from time to time.

For the Corporation's NEOs, STIP awards are based on the achievement of both corporate objectives and individual performance objectives, with weightings dependent on applicable employee job level. corporate performance accounts for 85% of the STIP award and individual performance accounts for 15% of the STIP award. The STIP also contains a multiplier

calculated based on a target range for both the corporate performance factor (“CPF”) and individual performance factor (“IPF”) resulting in a target bonus payment with lower and upper multiple ranges of 0X and 2.0X for both IPF and CPF; in no cases can an employee’s overall STIP multiple exceed 2X the target award.

The following is a summary of the bonus calculation: Target bonus x [(CPF weighting x CPF multiplier) + (IPF weighting x IPF multiplier)].

Example, as follows:

Base salary:	\$100,000
Target STIP Award:	\$50,000 (50% of base salary)
CPF / IPF Weighting:	85% / 15%
Corporate Performance Multiplier:	1.5
Personal Performance Multiplier:	1.0

Calculated Bonus: \$ (\$100,000 x 50%) x [(85% x 1.5) + (15% x 1.0)] = \$71,250

The Board, upon recommendation from the GHRC, sets corporate operational and financial goals early each year based on business objectives, Management’s recommendations and market conditions. Each KPI has a weighting and minimum (level of performance required to be eligible for cash bonus), target and maximum (level of performance at which award is capped) achievement levels. Following the conclusion of the year, the GHRC assess actual corporate performance based on outcomes and assigns a score to each measure.

### 2024 STIP Corporate Goals and Scorecard

The following table identifies the performance measures the GHRC, and the Board used to evaluate corporate performance in 2024. The performance measures focus on four key areas – operational, financial, HSE & ESG and commercial. Each focus area includes KPIs relevant to that area:

TABLE 11

2024 Corporate KPIs			
Category	Category Weighting	Corporate KPI	Measurement Metric
Operational	40%	Operating Expense	Budgeted operating expense within a range of + 5% / - 8%
		Production	Budgeted production within a range of + / - 10%
Financial	30%	EBITDA <sup>(1)</sup>	Budgeted EBITDA within a range of + 30% / - 20%
		Net Debt <sup>(2)</sup>	Budgeted net debt within a range of + 30% / - 20%
HSE & ESG	15%	Blended aggregate of twelve individual ESG &HSE indicators, both leading and lagging	Based on the sum of individual goals within a 0 - 2 range
Commercial	15%	Incremental Processing Volumes	Budgeted net new third-party volumes, within a range

<sup>(1)</sup> EBITDA is defined as Net Operating Income (“NOI”)<sup>(2)</sup> less general and administrative expenses.

<sup>(2)</sup> NOI and Net Debt are non-GAAP financial measures. These non-GAAP financial measures are not standardized financial measures prescribed by IFRS and may not be comparable to similar measures presented by other companies. The most directly comparable financial measure to NOI is Revenue and to Net Debt is Total Debt. For more information on NOI and Net Debt, see section entitled “Special Note Regarding Non-GAAP Financial Measures” in the Corporation’s annual management’s discussion and analysis for the year ended December 31, 2024 (the “MD&A”), which is incorporated by reference into this Circular. The MD&A is available on the Corporation’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), and upon request, a copy of the MD&A will be provided free of charge to any Shareholder. Requests can be directed to [info@pieridaenergy.com](mailto:info@pieridaenergy.com).

The Board, based on the recommendation of the GHRC, approved a CPF of 0.87 for 2024, within a possible range of 0 to 2.0, reflecting the Corporation’s performance against its annual corporate goals and objectives:

**TABLE 12**

Metric	Overall CPF Weighting	Achieved CPF Multiple	2024 CPF
Operating expense	24%	2.00	0.48
Production	16%	0.00	0.00
EBITDA	18%	0.00	0.00
Net Debt	12%	0.66	0.08
Blended aggregate HSE targets	15%	1.00	0.15
Incremental third-party processing volumes	15%	1.10	0.16
<b>2024 CPF ACHIEVED:</b>			<b>0.87</b>

### *Long Term Incentive Plans*

The Corporation has long-term incentive plans for all NEOs comprised of the RSU Plan and the Stock Option Plan.

### *Restricted Share Unit Plan*

The Corporation's RSU Plan is intended to: (a) assist in attracting, retaining, engaging, and rewarding talent; (b) provide an opportunity for NEOs to earn competitive total compensation and (c) focus efforts towards operational and financial performance and the pursuit of long-term Shareholder value creation by aligning compensation elements to the Corporation's growth and profitability.

RSUs are granted annually at the discretion of the Board following recommendation of the GHRC. Once granted, RSUs vest equally over three (3) years on the anniversary of each grant. At each vesting date the settlement amount is calculated by multiplying the number of vested RSUs by the volume weighted average trading price of a Common Share for the five (5) previous trading days and paid in cash. Upon payment of this amount, such RSUs are surrendered. The number of RSUs to be granted is typically mathematical, based on a percentage of base compensation, which is based on a number of factors including the position held, base salary, benefits level and any other factors the Board deems appropriate. The Board does not take previous grants into account when considering new grants under the RSU Plan.

### *Stock Option Plan*

The following is a summary of the Stock Option Plan a copy of which is attached as Schedule A to this Circular.

The Stock Option Plan was approved and adopted by the Board as of October 24, 2017, and was amended and restated by the Board as of November 23, 2017, March 19, 2020, and again as of March 24, 2021. Each such amended and restated Stock Option Plan, including all unallocated options thereunder, was approved at the annual and special meetings of Shareholders held on June 27, 2018, May 26, 2020 and May 27, 2021. Certain amendments to the Stock Option Plan were approved at the annual and special meeting of Shareholders held on May 26, 2022.

The Corporation's Stock Option Plan was established as part of a competitive compensation package to attract and retain skilled and motivated individuals who are essential to the Corporation's success. The Stock Option Plan encourages long-term commitment by providing employees with a vested interest in the Corporation's future success and aligns their interests with those of Shareholders.

Each Eligible Person (as defined in the Stock Option Plan) is eligible for an annual stock option grant that may be approved from time to time by the Board on the recommendation of the GHRC. The number of stock options granted to Eligible Persons is typically mathematical, based on a percentage of base compensation for eligible employees, which is based on a number of factors including the position held, base salary, benefits level and any other factors the Board deems appropriate. Stock option grants may also be considered and approved by the Board, if warranted, for specific performance or for other reasons in special circumstances. For example, Eligible Persons may be granted stock options upon the commencement of their engagement or employment with the Corporation. When determining whether and how many new stock option grants will be approved, the Board considers all relevant factors. The Board does not take previous grants into account when considering new stock option grants.

The following table summarizes the salient terms of the Stock Option Plan. Capitalized terms used in the table below have the meanings ascribed to such terms under the Stock Option Plan.

**TABLE 13**

<b>STOCK OPTION PLAN</b>	
<b>Number of Common Shares</b>	The options to be granted must not be exercisable for more than 10% of the Common Shares issued and outstanding at the time the options are granted, provided that if the options expire or are terminated for any reason before they vest and are exercised, the number of Common Shares underlying such expired or terminated options may again be available under the Plan.
<b>Eligible Participants</b>	The Board of Directors will designate, at its discretion, the Eligible Persons who are to be granted Options. "Eligible Persons" means directors, senior executives and employees of the Corporation and Service Providers to the Corporation. "Service Provider" is a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of twelve months or more.
<b>Exercise Price</b>	The Board of Directors shall establish the exercise price, which will not be less than the closing price of the Common Shares on the Exchange on the trading day immediately preceding the date of grant.
<b>Participation Limits</b>	<p>(a) The maximum number of Common Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(b) The maximum number of Common Shares issued to Eligible Persons who are Insiders within any one year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).</p> <p>(c) The number of Common Shares that are issuable to Eligible Persons who are non-executive directors under this Plan and any other Security Based Compensation Arrangement of the Corporation shall not at any time exceed \$150,000 worth of Common Shares annually per non-executive director, of which no more than \$100,000 may be in the form of Options.</p>
<b>Term of Options</b>	Subject to other terms within the Stock Option Plan, the expiry date of an option is the date established by the Board of Directors at the time of the granting of the particular option, provided that such date does not extend beyond the fifth anniversary of the date of grant of the option.
<b>Expiry of options</b>	<p>Subject to other terms within the Plan, options will expire on the following events:</p> <p>(a) The expiry date of the option;</p> <p>(b) 90 days following death of the option holder;</p> <p>(c) 90 days following cessation of employment for all options issued on or after October 24, 2017;</p> <p>(d) At the discretion of the Board of Directors and subject to the approval of the Toronto Stock Exchange and with prior notice to the option holder;</p> <p>(e) On the first day the optionee ceased employment if the option holder was terminated for cause;</p>
<b>Assignment</b>	Subject to other terms within the Plan, options cannot be assigned or transferred.
<b>Change of Control</b>	<p>The successor corporation may either (i) assume the Corporation's rights and obligations under outstanding options, or (ii) substitute for outstanding options substantially equivalent options in the successor corporation in a manner that substantially preserves and does not impair the rights of the optionee in any material respect.</p> <p>In the event that an assumption or substitution of options is not made by the successor corporation prior to or in connection with a Change of Control, all options held by an optionee as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.</p> <p>If the employment of an optionee is terminated during the one (1) year period after a Change of Control for any reason other than for cause, or the optionee resigns as a result of constructive dismissal, then any unvested options held by the optionee as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all options that are vested or deemed to be vested may be exercised by the optionee within 30 days from the termination date.</p>



STOCK OPTION PLAN	
<b>Retroactive Amendments</b>	The Board of Directors may, subject to the approval of the Exchange and subject to other terms within the Plan, retroactively amend the Plan and with the consent of the affected optionees, retroactively amend the terms and conditions of the options that have been granted until then.
<b>Amendments not requiring Shareholder approval</b>	<p>The Board of Directors may, without the approval of the Shareholders (other than any required regulatory or Exchange approvals) but subject to other terms within the Plan, suspend, discontinue, or amend this Plan or any option. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:</p> <ul style="list-style-type: none"> <li>(a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;</li> <li>(b) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;</li> <li>(c) amendments respecting the administration of the Plan;</li> <li>(d) changing the vesting provisions of the Plan or any option certificate;</li> <li>(e) changing the termination provisions of any Option that does not entail an extension beyond the original expiry date and</li> <li>(f) any other amendment that does not require the approval of Shareholders.</li> </ul>
<b>Amendments requiring Shareholder approval</b>	<p>Subject to other terms within the Plan, specific Shareholder approval is required for:</p> <ul style="list-style-type: none"> <li>a) any change to the maximum number of Common Shares issuable under the Plan, including an increase to the fixed maximum percentage or a change from a fixed maximum percentage to a fixed maximum number of Common Shares;</li> <li>b) any amendment which reduces the exercise price of any option after the options have been granted or any cancellation of an option and the substitution of that option by a new option with a reduced price;</li> <li>c) any amendment which extends the option term beyond the original expiry date;</li> <li>d) any amendment to remove or to exceed the participation limits;</li> <li>e) any amendment which would allow non-executive directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-executive director participation;</li> <li>f) any amendment which would permit any option granted under the Plan to be transferable or assignable by any Eligible Person other than as already permitted under the Plan;</li> <li>g) any amendment to the amendment provision (section 5.2) or the amendments requiring Shareholder approval provision (section 5.3).</li> </ul>

The Stock Option Plan is a “rolling” stock option plan under which stock options may be granted up to a maximum of 10% of the Common Shares issued and outstanding at the time of the grant. The number of Common Shares that may be reserved under the Stock Option Plan automatically increases or decreases as the number of issued and outstanding Common Shares increases or decreases.

**TABLE 14**

	Common Shares issuable from stock options granted under the Stock Option Plan <sup>(1)</sup>	Represented percentage of Common Shares Outstanding	Common Shares available under the Stock Option Plan to be issued as stock options	Represented percentage of Common Shares Outstanding
<b>Outstanding as at December 31, 2024</b>	6,948,475	2.4%	22,090,289	7.6%
<b>Outstanding as at Record Date</b>	6,948,475	2.4%	22,090,289	7.6%

<sup>(1)</sup> Each option entitles the holder to acquire one Common Share



### Stock Options Outstanding at the Record Date

The table below summarizes the stock options that are issued and outstanding under the Stock Option Plan as at the Record Date.

TABLE 15

GROUP	DATE OF GRANT	AGGREGATE NUMBER OF SHARES ISSUABLE	EXERCISE PRICE (\$)	EXPIRY DATE
Officers and Employees	October 8, 2020	629,000	0.86	October 8, 2025
Directors	November 17, 2020	170,000	0.86	November 17, 2025
Directors	August 19, 2021	135,000	0.30	August 19, 2026
Officers and Employees	August 19, 2021	868,400	0.30	August 19, 2026
Directors	September 15, 2022	225,000	1.28	September 15, 2027
Officers and Employees	August 31, 2022	462,900	1.24	August 31, 2027
Officers and Employees	August 31, 2023	886,100	0.57	August 31, 2028
Officers and Employees	August 31, 2024	3,572,075 <sup>(1)</sup>	0.30	August 31, 2029
<b>Total</b>		<b>6,948,475</b>		

<sup>(1)</sup> All 3,572,075 stock options granted on August 31, 2024 are subject to ratification and approval by Shareholders at the Meeting. See “Business of the Meeting—Ratifying 2024 Option Grants and Approving Unallocated Options Under the Stock Option Plan”.

The 6,948,475 Common Shares underlying the issued and outstanding stock options of the Corporation granted under the Stock Option Plan have a weighted average exercise price of approximately \$0.49 per Common Share.

### Annual Burn Rate

TABLE 16

	EQUITY COMPENSATION ARRANGEMENT	2022	2023	2024
<b>Stock Option Plan</b>	Stock options issued <sup>(1)</sup>	1,004,500	909,300	3,572,075 <sup>(2)</sup>
	Weighted Average Common Shares Outstanding	158,220,397	159,000,487	191,539,405
	Annual Burn Rate	0.6%	0.6%	1.9%

<sup>(1)</sup> Each option entitles the holder to acquire one Common Share

<sup>(2)</sup> All 3,572,075 stock options granted in 2024 are subject to ratification and approval by Shareholders at the Meeting. See “Business of the Meeting—Ratifying 2024 Option Grants and Approving Unallocated Options Under the Stock Option Plan”.

During 2024, there were 24,000 options exercised under the Stock Option Plan.

### Equity Compensation Plan Information

Other than the Stock Option Plan, the Corporation does not maintain any other compensation plans under which Common Shares are authorized for issuance.

### Risks Associated with Compensation Policies and Practices

The Board and the GHRC have considered the implications of the risks associated with the Corporation’s compensation policies and practices and have concluded that the programs do not encourage excessive or inappropriate risk-taking and are aligned with the long-term interests of Shareholders.

It is noted that while short term incentive awards are discretionary and granted as detailed above, the obligatory nature of long term incentive awards, as described above, once granted pose payout exposure to the Corporation. That risk is, however,

mitigated by the fact that the units and payout are tied to the market value of the Corporation's shares. In each case the Board has concluded that at the time that each such objective is established, its associated risk profile is acceptable to the Corporation, and the objective, if achieved, aligns with the long-term interests of its Shareholders.

Additional alignment between the interests of directors and executive officers with the interests of Shareholders is achieved through the Share Ownership Policy which prohibits each director and executive officer from entering into any agreement and from effecting any hedge or other transaction, which has as one of its purposes, or has as one of its consequences or possible consequences, the amelioration, in whole or in part, of the economic impact of a decrease, or possible decrease, in the market value of the Common Shares which are held by such director or executive officer.

Compensation policies are continuously reviewed and updated to best practice standards as undertaken by peer public companies and applicable regulatory changes. In addition, the business conduct of individuals is evaluated against the Corporation's prevailing policies including (a) the Code of Conduct, (b) the Anti-Corruption Policy, (c) the Disclosure Policy, (d) the Trading Restrictions and Blackout Period Policy, (e) the Hedging Policy, (f) the Delegation of Authority Policy, (g) the Credit Policy, and (g) the Investment Policy, each of which further protect the Corporation from the adverse consequences of inappropriate conduct and excessive risk-taking. Management is required to acknowledge annually in writing that they have followed, to the best of their knowledge, all of the above policies.

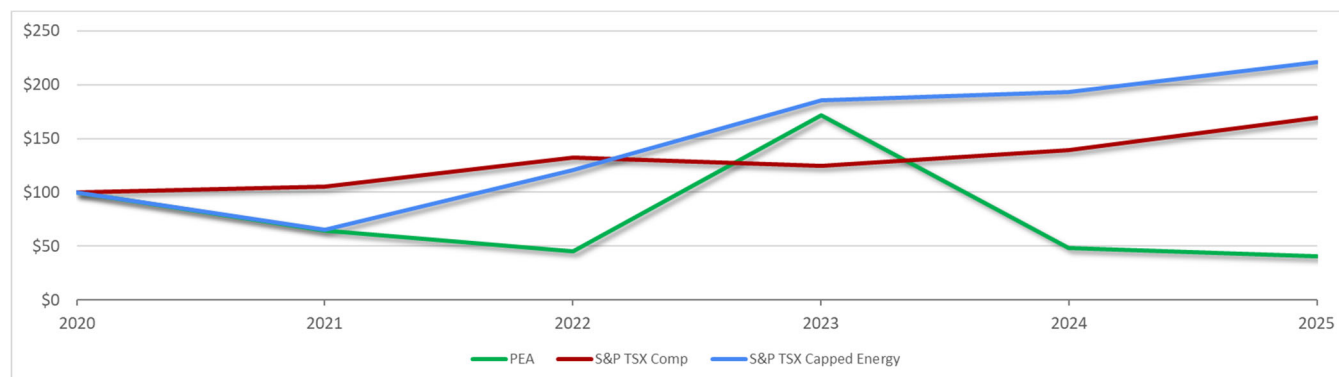
The Clawback Policy requires the executive and any senior vice president, (collectively, for the purposes of the Clawback Policy, "**Senior Management**"), whether current or former, to immediately repay or forfeit that portion of bonuses or equity based compensation paid, granted or vested to them if the Corporation is required to prepare a restatement of any or all its financial statements due to either (a) material non-compliance with any financial reporting requirements under applicable securities laws, or (b) gross negligence or fraud of such member of Senior Management as either admitted to or as proven in a court of competent jurisdiction.

Acknowledging that use of front-loaded cash or equity awards may (a) reduce the Board's ability to tailor compensation plans to reflect the evolving business strategies, (b) reduce the retention power of an award and (c) increase the risk of unintended consequences, the Corporation generally does not provide front-loaded cash or equity awards.

### Performance Graph

The following line graph depicts the cumulative total Shareholder return of the Corporation over the five most recently completed financial years.

#### TOTAL SHAREHOLDER RETURN <sup>(1)</sup>



<sup>(1)</sup> This line graph is based on the assumption that \$100 was invested on the first day of the five-year period.

The trend shown by this graph is not reflective of the trend in compensation reported under this Circular which the Executive Officers received from the Corporation over the same five-year period. Determination of compensation paid to Executive Officers is described above under "**SUMMARY OF EXECUTIVE COMPENSATION**".

## SUMMARY COMPENSATION TABLE

The following table presents information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation (or a subsidiary of the Corporation) to each NEO (in any capacity) during the last three financial years including all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO for services provided and for services to be provided, directly or indirectly, to the Corporation. Further discussion is available under the heading “SUMMARY OF EXECUTIVE COMPENSATION” and in the notes below the table.

TABLE 17

(a) NAME	(b) YEAR	(c) SALARY (\$)	(d) SHARE-BASED AWARDS (\$)	(e) OPTION-BASED AWARDS (\$)	(f) NON-EQUITY INCENTIVE PLAN COMPENSATION (\$)		(h) ALL OTHER COMPENSATION <sup>(6)</sup> (\$)	(i) TOTAL COMPENSATION (\$)
					(f1) ANNUAL INCENTIVE PLANS <sup>(13)</sup>	(f2) LONG-TERM INCENTIVE PLANS <sup>(14)</sup>		
<b>Darcy Reding</b> CEO <sup>(1)</sup>	2024	380,108	249,600 <sup>(12)</sup>	134,400 <sup>(9)</sup>	342,547	Nil	53,010	1,159,665
	2023	309,885	220,976 <sup>(11)</sup>	74,925 <sup>(8)</sup>	208,239	Nil	42,642	856,667
	2022	286,923	191,744 <sup>(10)</sup>	88,151 <sup>(7)</sup>	176,115	Nil	38,692	781,625
<b>Adam Gray</b> CFO <sup>(2)</sup>	2024	287,306	187,525 <sup>(12)</sup>	100,975 <sup>(9)</sup>	193,017	Nil	38,730	807,553
	2023	275,000	178,752 <sup>(11)</sup>	60,607 <sup>(8)</sup>	242,681	Nil	37,500	794,540
	2022	265,616	178,688 <sup>(10)</sup>	82,210 <sup>(7)</sup>	164,175	Nil	36,561	727,250
<b>John Emery</b> COO <sup>(3)</sup>	2024	299,558	195,000 <sup>(12)</sup>	105,000 <sup>(9)</sup>	200,711	Nil	39,955	840,224
	2023	250,000	150,024 <sup>(11)</sup>	23,611 <sup>(8)</sup>	61,000	Nil	30,000	514,635
	2022	234,716 <sup>(5)</sup>	129,024 <sup>(10)</sup>	19,551 <sup>(7)</sup>	59,700	Nil	20,980	463,971
<b>Paul Kunkel</b> CCO <sup>(4)</sup>	2024	268,413	175,630 <sup>(12)</sup>	94,570 <sup>(9)</sup>	183,814	Nil	31,824	754,251
	2023	82,692	162,512 <sup>(11)</sup>	55,081 <sup>(8)</sup>	52,747	Nil	3,269	336,301
	2022	-	-	-	-	-	-	-
<b>Yvonne McLeod</b> VP HSER	2024	250,000	150,000 <sup>(12)</sup>	37,500 <sup>(9)</sup>	64,654	Nil	30,000	532,154
	2023	247,115 <sup>(15)</sup>	150,024 <sup>(11)</sup>	23,611 <sup>(8)</sup>	60,975	Nil	30,288	512,013
	2022	250,000	150,016 <sup>(10)</sup>	32,033 <sup>(7)</sup>	59,700	Nil	30,000	521,749

<sup>(1)</sup> Mr. Reding was appointed President & CEO on September 1, 2023. Prior thereto, Mr. Reding served as President & COO from March 28, 2022, and COO from April 5, 2021 to March 27, 2022. He has not received any compensation for his role as a director of the Corporation.

<sup>(2)</sup> Mr. Gray was appointed CFO on March 28, 2022. Prior thereto, Mr. Gray served as Interim CFO from August 1, 2021, VP & Controller from November 1, 2020, to July 31, 2021, and Controller from January 13, 2020, to October 31, 2020.

<sup>(3)</sup> Mr. Emery was appointed COO on January 1, 2024. Prior thereto, Mr. Emery served as Interim COO from September 1, 2023, VP, Operations from November 2022 to August 2023 and Manager, Operations from November 8, 2021.

<sup>(4)</sup> Mr. Kunkel was appointed CCO on September 1, 2023.

<sup>(5)</sup> Figure includes \$65,486 fixed term contract compensation plus \$169,231 full time employee salary.

<sup>(6)</sup> All Other Compensation includes perquisite allowance and the 10% company contributions to retirement savings plan.

<sup>(7)</sup> To align with market practice, the estimated fair value of the options granted on August 31, 2022, has been calculated using the Black-Scholes-Merton model with the following assumptions: expected volatility of 96%, risk-free interest rate of 3.49% and an expected life of 3.5 years.

<sup>(8)</sup> To align with market practice, the estimated fair value of the options granted on August 31, 2023, has been calculated using the Black-Scholes-Merton model with the following assumptions: expected volatility of 91%, risk-free interest rate of 4.2% and an expected life of 3.5 years.

<sup>(9)</sup> To align with market practice, the estimated fair value of the options granted on August 31, 2024, has been calculated using the Black-Scholes-Merton model with the following assumptions: expected volatility of 84%, risk-free interest rate of 3.2% and an expected life of 3.5 years.

<sup>(10)</sup> The estimated fair value of these awards is based on the five-day volume weighted average price of \$1.28 on August 31, 2022.

<sup>(11)</sup> The estimated fair value of these awards is based on the five-day volume weighted average price of \$0.56 on August 31, 2023.

<sup>(12)</sup> The estimated fair value of these awards is based on the five-day volume weighted average price of \$0.31 on August 31, 2024.

<sup>(13)</sup> The Corporation’s “Annual Incentive Plans” is comprised of STIP payments.

<sup>(14)</sup> The Corporation does not have a pension plan.

<sup>(15)</sup> Figure reflects period of unpaid leave.

## INCENTIVE PLAN AWARDS

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

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

**TABLE 18**

NAME	OPTION-BASED AWARDS				SHARE-BASED AWARDS (RSUs) <sup>(2)</sup>					
	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE	OPTION EXPIRY DATE	VALUE OF UN-EXERCISED IN THE MONEY OPTIONS <sup>(1)</sup>	RSU GRANT DATE	NUMBER OF RSUs GRANTED	RSU GRANT PRICE	NUMBER OF GRANTED RSUs THAT HAVE NOT VESTED	MARKET OR PAYOUT VALUE OF RSUs THAT HAVE NOT VESTED <sup>(3)</sup>	MARKET OR PAYOUT VALUE OF VESTED RSUs NOT PAID OUT OR DISTRIBUTED
	(#)	(\$)		(\$)		(#)	(\$)	(#)	(\$)	(\$)
<b>Darcy Reding</b>	146,000	\$0.30	Aug 19, 2026	Nil	Aug 31, 2022	149,800	\$1.28	49,933	\$13,482 <sup>(3)</sup>	Nil
	109,800	\$1.24	Aug 31, 2027	Nil	Aug 31, 2023	394,600	\$0.56	263,066	\$71,028 <sup>(3)</sup>	Nil
	208,800	\$0.57	Aug 31, 2028	Nil	Aug 31, 2024	805,161	\$0.31	805,161	\$217,393 <sup>(3)</sup>	Nil
	742,952 <sup>(4)</sup>	\$0.30	Aug 31, 2029	Nil						
<b>Adam Gray</b>	50,000	\$0.86	Oct 8, 2025	Nil	Aug 31, 2022	139,600	\$1.28	46,533	\$12,564 <sup>(3)</sup>	Nil
	141,000	\$0.30	Aug 19, 2026	Nil	Aug 31, 2023	319,200	\$0.56	212,800	\$57,456 <sup>(3)</sup>	Nil
	102,400	\$1.24	Aug 31, 2027	Nil	Aug 31, 2024	604,920	\$0.31	604,920	\$163,328 <sup>(3)</sup>	Nil
	168,900	\$0.57	Aug 31, 2028	Nil						
	558,182 <sup>(4)</sup>	\$0.30	Aug 31, 2029	Nil						
<b>John Emery</b>	34,300	\$1.24	Aug 31, 2027	Nil	Aug 31, 2022	100,800	\$1.28	33,600	\$9,072 <sup>(3)</sup>	Nil
	65,800	\$0.57	Aug 31, 2028	Nil	Aug 31, 2023	267,900	\$0.56	178,600	\$48,222 <sup>(3)</sup>	Nil
	580,432 <sup>(4)</sup>	\$0.30	Aug 31, 2029	Nil	Aug 31, 2024	629,033	\$0.31	629,033	\$169,839 <sup>(3)</sup>	Nil
<b>Paul Kunkel</b>	153,500	\$0.57	Aug 31, 2028	Nil	Aug 31, 2023	290,200	\$0.56	193,466	\$52,236 <sup>(3)</sup>	Nil
	522,775 <sup>(4)</sup>	\$0.30	Aug 31, 2029	Nil	Aug 31, 2024	566,549	\$0.31	566,549	\$152,968 <sup>(3)</sup>	Nil
<b>Yvonne McLeod</b>	35,000	\$0.86	Oct 8, 2025	Nil	Aug 31, 2022	117,200	\$1.28	39,066	\$10,548 <sup>(3)</sup>	Nil
	40,000	\$0.30	Aug 19, 2026	Nil	Aug 31, 2023	267,900	\$0.56	178,600	\$48,222 <sup>(3)</sup>	Nil
	39,900	\$1.24	Aug 31, 2027	Nil	Aug 31, 2024	483,871	\$0.31	483,871	\$130,645 <sup>(3)</sup>	Nil
	65,800	\$0.57	Aug 31, 2028	Nil						
	207,297 <sup>(4)</sup>	\$0.30	Aug 31, 2029	Nil						

- (1) Value is calculated based on the difference between the market value of the underlying Common Shares at December 31, 2024 and the exercise price of the option and includes all in-the-money unexercised options held as at December 31, 2024. The closing trading value on the Toronto Stock Exchange of a Common Share on December 31, 2024, was \$0.27.
- (2) RSUs vest 1/3<sup>rd</sup> on each of the first, second and third anniversary from the grant date.
- (3) Value is calculated based on the market value of the underlying Common Shares as at December 31, 2024.
- (4) Subject to ratification and approval by Shareholders at the Meeting. See “Business of the Meeting—Ratifying 2024 Option Grants and Approving Unallocated Options Under the Stock Option Plan”.

### **Incentive Plan Awards – Value Vested or Earned during the Year**

The following table provides the value vested in relation to awards held by each NEO during the financial year ended December 31, 2024:

**TABLE 19**

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (\$) <sup>(1)</sup>	SHARE BASED AWARDS – VALUE VESTED DURING THE YEAR (\$) <sup>(2)</sup>	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR (\$) <sup>(3)</sup>
<b>Darcy Reding</b>	\$4,672	\$56,255	\$342,547
<b>Adam Gray</b>	\$4,512	\$47,409	\$193,017
<b>John Emery</b>	Nil	\$38,099	\$200,711
<b>Paul Kunkel</b>	Nil	\$29,987	\$183,814
<b>Yvonne McLeod</b>	\$1,280	\$39,794	\$64,654

(1) Value represents the difference between the Common Share price as at the vesting date and the option exercise price as at the vesting date.

(2) Value represents cash payments from vested RSUs.

(3) This value reflects STIP payments.

### **SHARE OWNERSHIP POLICY**

In order to align the interests of executive officers, directors and Shareholders, the Corporation has adopted a mandatory Share Ownership Policy for each of the Corporation’s non-executive directors and Officers (as defined in the Share Ownership Policy). The Share Ownership Policy requires each non-executive director and each Officer, by the date that is the later of five (5) years after the later of (a) October 24, 2017 and (b) the day that the individual first became a director or an Officer of the Corporation (the “**Relevant Date**”), to directly or indirectly acquire, hold and continue to hold thereafter while they remain a non-executive director or Officer of the Corporation, Common Shares, DSUs or RSUs, as applicable, which in aggregate have a Value that meets or exceeds the Minimum Ownership Requirement (as defined in the Share Ownership Policy). The Minimum Ownership Requirement is three (3) times the Maximum Base Cash Payment (as defined in the Director Compensation Policy) that is paid or payable to each non-executive director, three (3) times the prevailing annual base salary that is paid or payable to the CEO, or two (2) times the prevailing annual base salary that is paid or payable to each other Officer of the Corporation.

The following table sets out the Minimum Ownership Requirement for each non-executive director and Executive Officer and whether they have met same as of the Record Date.

TABLE 20

NAME	POSITION HELD	COMMENCEMENT DATE	RELEVANT DATE	TOTAL SHARES OWNED AS OF THE RECORD DATE <sup>(3)</sup>	RSUs GRANTED BUT NOT VESTED AS OF THE RECORD DATE	DSUs GRANTED BUT NOT SETTLED AS OF THE RECORD DATE	MINIMUM OWNERSHIP REQUIREMENT (\$) <sup>(1)</sup>	MINIMUM OWNERSHIP REQUIREMENT MET (Y/N) OR IN PROGRESS (IP) <sup>(2) (3)</sup> (\$)
<b>Michael Backus</b> <sup>(4)</sup>	Nominated Independent Director	May 8, 2025	May 8, 2030	Nil	Nil	Nil	-	-
<b>Charles Boulanger</b>	Independent Director	October 24, 2017	October 24, 2022	779,288	Nil	106,310	191,250	Y
<b>Harvey Doerr</b> <sup>(4)</sup>	Nominated Independent Director	May 8, 2025	May 8, 2030	Nil	Nil	Nil	-	-
<b>Richard Couillard</b>	Independent Director	May 26, 2022	May 26, 2027	205,542	Nil	255,722	191,250	IP
<b>Doug Dreisinger</b>	Independent Director	May 26, 2022	May 26, 2027	88,564	Nil	134,466	191,250	IP
<b>Gail Harding</b>	Independent Director	May 26, 2022	May 26, 2027	75,000	Nil	241,309	191,250	IP
<b>Andrew Judson</b>	Independent Director	October 24, 2017	October 24, 2022	502,697	Nil	106,310	191,250	Y
<b>Patricia McLeod</b>	Independent Director & Board Chair	May 26, 2022	May 26, 2027	1,950,403	Nil	337,691	191,250	Y
<b>Kiren Singh</b>	Independent Director	May 26, 2020	May 26, 2025	441,146	Nil	106,310	191,250	IP
<b>Darcy Reding</b>	President & CEO	September 1, 2023	September 1, 2028	429,854	1,118,160	Nil	1,152,000	IP
<b>Adam Gray</b>	CFO	March 28, 2022	March 28, 2027	410,000	864,253	Nil	577,000	IP
<b>John Emery</b>	COO	January 1, 2024	January 1, 2029	287,760	841,233	Nil	600,000	IP
<b>Paul Kunkel</b>	CCO	September 1, 2023	September 1, 2028	161,797	760,015	Nil	540,400	IP

<sup>(1)</sup> The Minimum Ownership Requirement for Executive Officers is based on their 2024 annual base salary, and for non-executive directors is based on the 2024 Maximum Base Cash Payment.

<sup>(2)</sup> Individuals will have met their Minimum Ownership Requirement if, at any time, the value of their Qualifying Share Ownership Position meets or exceeds the Minimum Ownership Requirement. Individuals will not have met their Minimum Ownership Requirement if the Relevant Date has passed and the value of their Qualifying Share Ownership Position is less than the Minimum Ownership Requirement. "In Progress" indicates that the Relevant Date has not yet occurred, and that the individual has time to achieve the Minimum Ownership Requirement. The value of each individual's Qualifying Share Ownership Position is determined by multiplying the volume of Common Shares, DSUs or RSUs acquired in each transaction by the higher of the actual cost and the market value of such Common Shares, DSUs and RSUs on Record Date.

<sup>(3)</sup> As the total number of Common Shares held by each non-executive director and Officer and the Value of each non-executive director and Officer's Qualifying Share Ownership Position is not within the knowledge of the Corporation, the non-executive directors and Officers have each confirmed the total number of Common Shares held by them and whether the value of their respective Qualifying Share Ownership Positions meet their Minimum Ownership Requirement as at the Record Date.

<sup>(4)</sup> Newly nominated directors will be subject to the Share Ownership Policy if elected and will have five (5) years from their commencement date to meet the Minimum Ownership Requirement.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

As at December 31, 2024, the Corporation was a party to an employment agreement (each, a "Contract of Service") with each NEO. Each Contract of Service includes, among other things, a covenant of confidentiality, non-solicitation, and non-competition. If at any time the Contract of Service is terminated by the Corporation, or the NEO resigns or retires, the NEO

will continue to be subject to the covenant of confidentiality indefinitely and to the covenants of non-solicitation and non-competition for twelve months.

All NEOs except Yvonne McLeod are party to a Contract of Service ("**Contract of Service 1**") that stipulates that the Corporation may terminate the NEO immediately, on written notice but without prior notice, for "just cause". If so terminated, the NEO is entitled to payment of its annual base pay up to the Date of Termination (as defined therein), together with all outstanding vacation pay and any expense reimbursements ("**Base Termination Pay**"). Contract of Service 1 allows the NEO to terminate their employment with the Corporation for any reason upon three months prior written notice. If so terminated, the NEO is entitled to Base Termination Pay.

Contract of Service 1 stipulates that the Corporation may terminate the NEO, immediately with written notice, "without just cause". If so terminated, the NEO is entitled to Base Termination Pay, plus pro-rated payment of their annual bonus, any termination pay owing under Part 2, Division 8 of the *Employment Standards Code, RSA 1980, c. E-10.1* (the "**Code**"), any LTIP entitlements under the applicable plan, continuation of health care benefits for 1 year (or payment of a cash amount equal thereto), reimbursement of outplacement, legal and financial counselling services and, subject to delivery of an executed release and return of all corporate property, a severance amount (altogether, the "**Severance Package**"). For the President and CEO, the severance amount is defined as an amount equal to 1.5x the annual base salary plus 1.5x the annual bonus. For the CFO, COO, and CCO, the severance amount is defined as an amount equal to 1.0x the annual base salary plus 1.0x the annual bonus. Contract of Service 1 allows the NEO to terminate their employment within 30 days of an event constituting Good Reason (as defined therein) upon 30 days prior written notice. If so terminated, the NEO is entitled to Base Termination Pay plus the applicable Severance Package.

Contract of Service 1 further stipulates that the Corporation may terminate the Contract of Service within 20 days of an event of Change of Control (as defined therein), immediately with written notice. If so terminated, the NEO is entitled to Base Termination Pay plus the applicable Severance Package. Contract of Service 1 allows the NEO to terminate their employment within 60 days of an event of Change of Control with Good Reason, upon 30 days prior written notice. If so terminated, the NEO is entitled to Base Termination Pay plus the applicable Severance Package.

In the event of termination of Contract of Service 1 by the Corporation for any reason other than "just cause", the NEO will also be entitled to exercise their options for a period of 90 days from such termination.

Yvonne McLeod is party to a Contract of Service ("**Contract of Service 2**") which stipulates that the Corporation may terminate the Contract of Service without prior notice irrespective of whether the termination is for "just cause" or is "without just cause" by providing to the particular NEO either: (a) the minimum period of prior notice of termination that the Corporation is required to provide to the NEO pursuant to the Code or (b) a payment in lieu of notice in an amount that is equal to the amount of pay that would have been earned by the NEO during such minimum period of prior notice, computed in accordance with the employment standards legislation applicable in the province in which the NEO was employed.

Notwithstanding the foregoing, Contract of Service 2 also stipulates that if the Corporation terminates the employment of the particular NEO within one hundred (100) days of an event of Change of Control (as defined therein), the minimum period of prior notice shall be deemed to be the lesser of (a) 24 months and (b) the aggregate of six months and one additional month for each calendar year throughout which the NEO was employed by the Corporation.

In the event of "just cause" termination under Contract of Service 2, the NEO will not be entitled to further RSU grants, the vesting of existing RSUs nor the exercise of any options. In the event of "without just cause" termination or termination within one hundred (100) days of an event of Change of Control under Contracts of Service 2, the NEO will be entitled to exercise its options for a period of 90 days from termination but will not be entitled to further RSU grants or the vesting of existing RSUs.

The below table illustrates the foregoing termination and change of control benefits payable assuming a December 31, 2024 Date of Termination.



**TABLE 21**

NAME	PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT WITHOUT CAUSE (\$) <sup>(1)</sup>	PAYMENT IN THE EVENT OF TERMINATION OF EMPLOYMENT AFTER CHANGE OF CONTROL (\$) <sup>(1)(2)</sup>
<b>Darcy Reding</b>	1,152,000	1,152,000
<b>Adam Gray</b>	504,875	504,875
<b>John Emery</b>	525,000	525,000
<b>Paul Kunkel</b>	472,850	472,850
<b>Yvonne McLeod</b>	38,461	288,461

<sup>(1)</sup> The amounts shown are exclusive of any amounts the NEO may receive as a result of an exercise of options in the 90 days following the Date of Termination.

<sup>(2)</sup> In addition to payments disclosed above, share based compensation vesting acceleration provisions exist within the Stock Option Plan and RSU Plan applicable to certain individuals.

## DIVERSITY & REPRESENTATION OF WOMEN

### DIVERSITY STATEMENT

The Corporation does not have a written policy relating to the identification and nomination of women directors on its Board because its Diversity and Inclusion Policy addresses the identification and nomination of a broader slate of diverse candidates for election or appointment to the Board or for employment at every level.

As acknowledged in the Corporation's Diversity and Inclusion Policy, the Corporation values the benefits that the participation of women and overall diversity can bring to its Board, Management and employee group. These benefits include the promotion of differing perspectives and the broadening of ideas while improving oversight, decision-making and governance. Moreover, diversity on the Board and within Management evidences the Corporation's dedication to diversity at all levels within the organization and its commitment to foster an inclusive corporate culture that is based on merit and is free of bias whether conscious or unconscious.

The Corporation believes that the promotion of women and persons with diverse backgrounds and lived experiences within the organization is best served through an objective evaluation of the knowledge, experience, expertise, and backgrounds of each candidate for director and each potential employee, in relation to the needs of the Corporation with a view to enhance diversity but without undue focus on any single diversity characteristic. The Corporation strives to maintain a Board and Management team which are comprised of talented and dedicated individuals with a diverse mix of knowledge, experience, expertise, and backgrounds who collectively are able to oversee and execute the strategic objectives of the Corporation while reflecting the diversity within the society in which the Corporation operates. Thus, the Corporation considers candidates based on objective criteria, having due regard to the benefits of diversity and the needs of the Corporation when assessing the composition of the Board, Management and the employee group and when identifying suitable candidates for election or appointment to the Board or for employment at every level.

Specifically with respect to representation of women and persons identifying as belonging to a designated group on the Board, the GHRC is mandated to: (a) establish and report to the Board a director succession plan and candidate identification and nomination process, (b) develop and recommend to the Board criteria for selecting potential director candidates that strives to attain a diversity of competencies and personal characteristics, and (c) assess the effectiveness of the Board nomination process at achieving its diversity objectives including measurement of annual and cumulative progress in achieving the Board's gender and other diversity objectives.

The Corporation's Board and Management encourage their human resources representatives to identify and select for consideration in all recruitment processes, having regard for existing levels of diversity ascertained from its diversity survey results, employee candidates and director candidates who identify as a member of a designated group. However, due to varying interpretations, inconsistencies in self-reporting and resulting identification and measurement difficulties, the Corporation has not at this time established a target number or percentage, or a range of target numbers or percentages, for members of any designated group to hold positions on its Board or to be members of Management by a specific date.

## CANADA BUSINESS CORPORATIONS ACT REQUIRED DISCLOSURE ON DIVERSITY

The following information is disclosed by the Corporation pursuant to Section 172.1 of the CBCA and Part 8.2 of the *Canada Business Corporations Regulations*, 2001, SOR/2001-512, as amended (“**CBCA Regulations**” and collectively with the CBCA, the “**Applicable Legislation**”).

For the purposes of complying with the disclosure obligations under Applicable Legislation, “designated groups” means women, Aboriginal peoples<sup>2</sup>, persons with disabilities<sup>3</sup> and members of visible minorities<sup>4</sup> and, at the election of the Corporation, includes LGBT persons<sup>5</sup>. “Members of senior management” means the chair and vice-chair of the Board, the president of the Corporation, the CEO and CFO, the vice-president in charge of a principal business unit, division, or function, including sales, finance or production, and an individual who performs a policy-making function in respect of the Corporation.

As stated in its written diversity statement, the Corporation values the benefits that diversity can bring to its Board, senior management team and employees. Thus, the level of the representation of designated groups on its Board and among members of the senior management team will be considered by the Corporation among the relevant factors in identifying and nominating candidates for election or re-election on the Board and in appointing members of the senior leadership team. Each candidate for nomination to the Board or for membership to the senior management team is evaluated on a broad spectrum of criteria (including their degree of diversity) and in each case, the Corporation engages the best candidate for each position. More information on how the Board considers the representation of designated groups in identifying and nominating directors and appointing members of the senior management team is provided under the section titled “*DIVERSITY STATEMENT*” above.

The following table, based on self-disclosure, indicates the levels of diversity on the Corporation’s Board and among the Corporation’s senior management team as of the 2023 and 2024 Record Dates.

**TABLE 22**

	BOARD				SENIOR MANAGEMENT			
	2023		2024		2023		2024	
	NUMBER OF INDIVIDUALS	%	NUMBER OF INDIVIDUALS	%	NUMBER OF INDIVIDUALS	%	NUMBER OF INDIVIDUALS	%
WOMEN	3	43%	3	43%	2	25%	1	10%
ABORIGINAL PEOPLES	0	0%	0	0	0	0%	0	0
PERSONS WITH DISABILITIES	0	0%	0	0	0	0%	0	0
MEMBERS OF VISIBLE MINORITIES	1	14%	1	14%	2	25%	1	10%
LGBT PERSONS	0	0%	0	0	0	0%	0	0

## REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Common Shares is Odyssey Trust Company, having offices at Suite 702 – 67 Yonge St, Toronto, Ontario M5E 1J8.

<sup>2</sup>“Aboriginal peoples” means persons who are Indians, Inuit, or Métis.

<sup>3</sup> “Persons with disabilities” means persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who either (a) consider themselves to be disadvantaged in employment by reason of that impairment, or (b) believe that a employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment and includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.

<sup>4</sup> “Members of visible minorities” means persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour.

<sup>5</sup> “LGBT persons” means persons, other than members of any other designated group, who self-identify as either lesbian, gay, bisexual, or transgender.

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

None of the current or former directors, executive officers, or employees of the Corporation, nor any associate of any of the foregoing persons, is or was indebted, directly or indirectly, to the Corporation or any of its subsidiaries at any time since January 1, 2024.

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

There were no material interests, direct or indirect, of any director or executive officer of the Corporation, any proposed director of the Corporation or any other “informed person” (as such term is defined in NI 51-102), or any associate or affiliate of any of the foregoing persons, in any transaction since January 1, 2024 or in any proposed transaction which has materially affected, or would materially affect, the Corporation or any of its subsidiaries.

## **INDEMNIFICATION OF DIRECTORS AND SENIOR MANAGEMENT**

The Corporation covenants to indemnify and save harmless the directors and officers of the Corporation and its affiliated entities from and against any and all losses, liabilities, claims, damages, fines, penalties, costs, charges or expenses (including, but not limited to, an amount paid to settle any action or to satisfy any judgment, legal fees on a solicitor and client basis, other professional fees, out-of-pocket expenses for attending proceedings including discoveries, trials, hearings and meetings and any amount for which the indemnified is liable by reasons of any statutory provision whether civil, criminal or otherwise and whether such claim is anticipated, threatened, pending, commenced, continued or completed). The foregoing includes any appeal, (as well as the amount of any taxes or interest payable as a result of other payments made thereunder) suffered or incurred by the indemnified, directly or indirectly, as a result or by reason of the indemnified being or having been a director or officer of the Corporation or any of its affiliated entities, or by reason of any action taken or not taken by the indemnified in the capacity of director or officer of the Corporation or of any of its affiliated entities, provided that he or she acted honestly and in good faith with a view to the best interests of the Corporation and, in the case of a criminal or administrative action or proceeding, that he or she had reasonable grounds for believing that his or her conduct was lawful. The policy provides further that such costs, charges, or expenses must not be suffered or incurred as a result of the fraud, dishonesty or wilful default by the indemnified.

## **LIABILITY INSURANCE FOR DIRECTORS AND SENIOR MANAGEMENT**

The Corporation maintains a policy of insurance for the benefit of its directors and members of its senior management which cover them from losses (including damages, costs and similar amounts) which they suffer or incur as a result or by reason of being, or having been, a director or a member of its senior management except to the extent that such losses are suffered or are incurred as a result of their own fraud, dishonesty or wilful default. The insurance policy, effective October 1, 2024, and expiring on September 30, 2025, provides coverage of \$20 million per event and per policy year.

## **OTHER BUSINESS**

Management knows of no amendment, variation, or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

## **SHAREHOLDER PROPOSALS**

Pursuant to the provisions of the CBCA, any Shareholder wishing to present a proposal to be considered for inclusion at the next annual meeting of Shareholders in 2026 must submit such proposal to the Corporation to be received during the prescribed period which is the 60-day period that begins on the 150<sup>th</sup> day before the anniversary of the previous annual meeting of Shareholders. Any such proposal must meet all the requirements of the CBCA and the CBCA Regulations. However, if the Continuance is approved, any Shareholder proposal will need to meet the requirements of the ABCA. A Shareholder

proposal must be addressed to the Corporate Secretary and either (a) mailed to Pieridae Energy Limited at 1100, 411-1 Street S.E., Calgary, Alberta T2G 4Y5, or (b) emailed to [legal@pieridaenergy.com](mailto:legal@pieridaenergy.com).

## ADVANCE NOTICE BY-LAW

By-Law No.3: The Advance Notice By-Law (the “**Advance Notice By-Law**”) was adopted by the Board on February 6, 2020, and confirmed by the Shareholders at the Annual and Special Meeting of Shareholders on May 26, 2020. The Advance Notice By-Law establishes the procedures, timeframe, and forms which a Shareholder must follow in order to nominate a person for election as a director of the Corporation at the Meeting.

To be timely, a nominating Shareholder’s notice to the Corporate Secretary of the Corporation must be made:

- (a) in the case of an annual meeting (including an annual and special meeting) of Shareholders, not less than thirty (30) days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than fifty (50) days after the date on which the first public announcement (the “**Notice Date**”) of the date of the annual meeting was made by the Corporation, notice by the nominating shareholder may be made not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made by the Corporation, and;
- (c) in the case of an annual meeting (including an annual and special meeting) of Shareholders or a special meeting of Shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than forty (40) days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the Notice Date, notice by the nominating shareholder shall be made, in the case of an annual meeting of Shareholders, not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date and, in the case of a special meeting of Shareholders, not later than the close of business on the fifteenth (15<sup>th</sup>) day following the Notice Date.
- (d) Each of the notice periods set forth above shall reset if the meeting is adjourned and/or postponed and for these purposes the date on which the first public announcement of the date of the meeting was made shall be the date of the first public announcement of the adjournment and/or postponement.

The notice must be addressed to the attention of the Corporate Secretary and delivered by either (a) personal delivery to Pieridae Energy Limited Suite 1100, 411-1 Street S.E. Calgary, Alberta T2G 4Y5, (b) facsimile to (403) 261 5902, or (c) email to [legal@pieridaenergy.com](mailto:legal@pieridaenergy.com) and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address noted above. If delivery or electronic communications is made on a day which is not a business day or later than 5:00 pm Mountain Time on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

The Chair 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 Advance Notice By-Law and, if any proposed nomination is not in compliance with the Advance Notice By-Law, to declare that such defective nomination shall be disregarded. Notwithstanding the foregoing, the Board may, in its sole discretion, waive all or any requirements in the Advance Notice By-Law. A copy of the Advance Notice By-Law can be found on our website (<https://www.pieridaenergy.com/our-company/governance>).

## ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional financial information is provided in the Corporation's comparative financial statements for the year ended December 31, 2024 and related MD&A which can be found under the Corporation's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Corporation's website at [www.pieridaenergy.com](http://www.pieridaenergy.com). Shareholders may also obtain these documents, without charge, upon request by mail to the CFO at Pieridae Energy Limited, 1100, 411-1 Street S.E., Calgary, Alberta T2G 4Y5 or by email to [legal@pieridaenergy.com](mailto:legal@pieridaenergy.com).

## FORWARD-LOOKING INFORMATION

Certain statements and information contained herein including, without limitation, may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively "forward-looking statements"). Words such as "will", "anticipate", "expect", "believe", "intend", "execute", "continue", "strive", "focus on", "improve", "design", "goal", "objective", "remain", "strategy", "target", "success", "vision", "growth", "benefit", "optimistic", "opportunity" and similar expressions may be used to identify these forward-looking statements.

In particular, this Circular contains forward-looking statements pertaining to, among other things, the following: the Corporation's ability to advance commercial opportunities; the Corporation's active management of the hedging program; expectations with respect to improving and growing the Corporation's upstream and midstream business in western Canada; expectations with respect to AECO pricing in the next several years; the Corporation's renewed vision and direction; execution of the Corporation's ESG vision, including the Corporation's commitment to integrating ESG through all aspects of the organization and its impact on sustainable operational and financial success; the progress being made on corporate diversity; the achievement of the goals and objectives under the Corporation's executive and director compensation programs, including the Board's belief with respect that such programs will attract, motivate, retain and reward a diverse, qualified, and dedicated cohort; the risks associated with compensation policies and practices; the ratification of stock options granted after May 27, 2024 (including the impact on executive compensation of such ratification not being obtained), the approval of unallocated options under the Stock Option Plan and other effects of the Stock Option Plan; the effects and purpose of the RSU Plan and the DSU Plan; the anticipated completion, effects and benefits of the Name Change; the anticipated completion, effects and benefits of the Continuance; the anticipated effects and outcomes of the Share Ownership Policy; the application of termination and change of control benefits for NEOs; the Board's expectations with respect to director orientation and continuing education; the Corporation's ability to execute its strategic objectives; the assessment of cyber security risks; and the Corporation's commitment to ethical business conduct.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements, but which may prove to be incorrect. All forward-looking statements reflect Management's beliefs and assumptions based on information available at the time the assumption was made. Forward-looking statements involve significant risk and uncertainties. A number of risk factors could cause actual results to differ materially from those anticipated, expressed or implied by the forward-looking statements contained herein. For more information about the assumptions and risks associated with the forward-looking statements in this Circular, see "Forward-Looking Information" and "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2024 and "Cautionary Note Regarding Forward-Looking Information" in the Corporation's MD&A for the year ended December 31, 2024, each of which may be accessed through the Corporation's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Although the forward-looking statements contained herein are based upon what Management believes to be reasonable assumptions, Management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Corporation assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements contained herein concerning the oil and gas industry and the Corporation's general expectations concerning this industry are based on estimates prepared by Management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Corporation is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

## **APPROVAL OF DIRECTORS**

The contents and the sending of this Circular have been approved by the directors of the Corporation.

## SCHEDULE A – AMENDED AND RESTATED STOCK OPTION PLAN

### 1 Definitions and interpretations

#### 1.1 Definitions

Unless otherwise required by the context or subject matter, the following terms, as used herein, have the meanings set forth below.

- a) **Affiliate** has the meaning given to that term in the *Securities Act* (Alberta), including the rules and regulations promulgated thereunder, as may be amended from time to time.
- b) **Black-Out Period** has the meaning given to that term in Section 3.4 hereof.
- c) **Board of Directors** means the board of directors of the Corporation.
- d) **Business Day** means a day that is not a Saturday, Sunday, or a general holiday in Alberta.
- e) **Change of Control** means:
  - (i) any transaction (other than a transaction described in clause (iii) 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 Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation.
  - (ii) a consummated arrangement, amalgamation, merger, consolidation, take-over bid, compulsory acquisition or similar transaction involving (directly or indirectly) the Corporation if, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the Shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction;
  - (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation's assets to a person other than a person that was an Affiliate of the Corporation 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 Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
  - (iv) the passing of a resolution by the Board of Directors or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation'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 Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement);



- (v) the election at a meeting of the Corporation's Shareholders of a number of directors to the Board of Directors who were not director nominees proposed to the Corporation's Shareholders by the Corporation's prior Board of Directors and would represent a majority of the Board of Directors; or
  - (vi) the appointment of a number of directors to the Board of Directors which would represent a majority of the Board of Directors and which were nominated by any holder of Shares of the Corporation or by any group of holders of Shares of the Corporation acting jointly or in concert and not approved by the Corporation's prior Board of Directors.
- f) **Constructive Dismissal** means constructive dismissal as defined at common law; however, it does not include any of the following with respect to an Optionee:
- (i) a reduction in compensation unless greater than 15% of the Optionee's total compensation;
  - (ii) a reduction in compensation, regardless of quantum, where such reduction in compensation has been applied in a similar manner to all or substantially all employees of the Corporation;
  - (iii) a change in duties where such change is reasonably required pursuant to a reorganization or restructuring of the Corporation;
  - (iv) a re-location of position;
  - (v) any material change to the Optionee's terms and conditions of employment made with the consent of the Optionee and
  - (vi) a promotion.
- g) **Corporation** means Pieridae Energy Limited and any corporation which it controls pursuant to the *Canada Business Corporations Act*.
- h) **Date of Grant** in respect of an Option means the date on which the Board of Directors grants the particular Option in favour of an individual.
- i) **Eligible Persons** means directors, senior executives and employees of the Corporation and Service Providers to the Corporation.
- j) **Event** has the meaning given to that term in Section 3.8 hereof.
- k) **Exchange** means the Toronto Stock Exchange.
- l) **Exercise Notice** in respect of an Option means the notice regarding the exercise of the particular Option, in the form approved by the Corporation, duly executed by the Optionee.
- m) **Exercise Period** in respect of an Option means the period during which the particular Option may be exercised, which runs from the Date of Grant inclusively, provided that all of the regulatory approvals have been obtained, up to and including the Expiry Date.
- n) **Exercise Price** in respect of an Option means the price at which the Option may be exercised, as established pursuant to Section 3.6 hereof.
- o) **Expiry Date** in respect of an Option means the date established in respect thereof pursuant to Section 3.3 hereof.

- p) **Insider** has the meaning given to that term in the TSX Company Manual<sup>6</sup>.
- q) **Insider Participation Limits** means, collectively, the limits set out in Section 2.6 hereof.
- r) **Market Value** means the closing price of the Shares on the Exchange on the trading day immediately preceding the Date of Grant.
- s) **Notice** has the meaning given to that term in Section 3.4 hereof.
- t) **Option Certificate** in respect of an Option means the certificate representing the Option.
- u) **Option** or **Options** means, as the case may be, one or several options granted pursuant to the Plan for the purpose of purchasing Shares.
- v) **Optionee** in respect of an Option means the employee, director, senior executive or Service Provider, as the case may be, their Personal Representative that hold the Option.
- w) **Personal Representative** of an Optionee means (i) in the case of a deceased Optionee, the Optionee's legatees in accordance with the terms and conditions of the Optionee's last will or the Optionee's representative with respect to the Optionee's estate and (ii) in the case of an Optionee who, for any reason whatsoever, is incapable of managing his or her affairs, the person legally authorized to act on behalf of such Optionee.
- x) **Plan** means this Stock Option Plan.
- y) **Security Based Compensation Arrangement** has the meaning given to that term in the TSX Company Manual<sup>7</sup>.
- z) **Service Provider** has the meaning given to that term in the TSX Company Manual<sup>8</sup>.
- aa) **Share** or **Shares** means, as the case may be, one or several common shares in the share capital of the Corporation.
- bb) **Shareholder** means a holder of one or more Shares.
- cc) **Successor Corporation** has the meaning given to that term in Section 5.4 (a).
- dd) **Termination Date** means the date on which an Optionee ceases to be an Eligible Person as a result of a termination of employment or engagement with the Corporation for any reason, including death, disability, resignation, or termination with or without cause, but not including an Optionee's absence from active employment or engagement with the Corporation during a period of authorized leave of absence. For greater certainty, the Termination Date shall be the last day of the Optionee's actual and active employment or engagement with the Corporation, whether such day is selected by agreement with the individual, unilaterally by the Corporation and whether with or without advance notice to the Optionee. No period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by

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<sup>6</sup> See Section 613(b) of the TSX Company Manual

<sup>7</sup> Section 613(b) of the TSX Company Manual

<sup>8</sup> *Ibid.*

statute, imposed by common law or otherwise, in respect of such termination of employment or engagement that follows or is in respect of a period after the Optionee's last day of actual and active employment or engagement will be considered as extending the Optionee's period of employment or engagement for the purposes of determining his or her entitlement under this Plan.

## 1.2 Governing Law

The Plan is established pursuant to the laws in effect in the Province of Alberta and the policies of the Exchange and its provisions shall be interpreted pursuant to such laws and policies.

## 1.3 Headings

The headings herein are for the convenience of the reader and shall in no way affect the interpretation of the Plan.

# 2 Purpose and Participation

## 2.1 Purpose

The Plan was designed to allow the Corporation, through Shares, to retain and motivate competent directors, senior executives, employees and Service Providers, to compensate directors, senior executives, employees and Service Providers to whom the Board of Directors may grant Options pursuant to the Plan from time to time further to their efforts in attaining the goals of the Corporation and to allow such individuals to purchase Shares as an investment and to encourage them to act in this manner.

## 2.2 Participation

From time to time, the Board of Directors will designate, at its discretion, the Eligible Persons who are to be granted Options and will establish the number of Shares with respect to which each Option may be exercised and grant the Options based on these decisions. The granting of an Option to an Eligible Person will not, at any time, entitle such person to receive Options thereafter, nor will it prevent such person from receiving Options thereafter.

## 2.3 Notice of Granted Options

- a) After the Board of Directors has approved the granting of an Option, any member of the Board of Directors or any other individual designated by the Board of Directors for such purpose shall give written notice of the grant (a **Notice**) to the applicable Eligible Person and shall include therewith the Option Certificate representing the Option thus granted.
- b) In the case of an Option which is proposed to be granted to an employee of the Corporation or a Service Provider, no such Option shall be granted by the Board of Directors to such individual unless and until the Corporation has declared that such individual is a *bona fide* employee of the Corporation or a Service Provider, as the case may be.

## 2.4 Copies of the Text of the Plan

At the time that a Notice is delivered to an Eligible Person upon the initial granting of an Option, that Eligible Person must be provided with either one copy of the text of the Plan or the address of the website from which the text of the Plan can be downloaded by the Eligible Person and within ten (10) days following the receipt of the Notice and the accompanying Option Certificate, each such Eligible Person shall sign that Notice acknowledging that the Eligible Person has read the Plan and unconditionally agreeing to the terms and conditions stipulated in the Plan, the Option Certificate and the Notice. Notwithstanding any other provision hereof, the grant of such Option by the Corporation to that Eligible Person shall not be effective unless and until the Eligible Person complies with the requirements of this Section 2.4 and all of the other conditions herein relating to such Grant are satisfied.

## 2.5 No Additional Rights

The Plan does not entitle an Optionee to be, or continue to be, an employee or a director of the Corporation nor does it create an obligation on the part of the Optionee. The Plan does not grant the Optionee any rights as a Shareholder with respect to the Shares underlying the Options before such time as the Optionee has exercised his or her Options, or a part thereof and he or she is duly registered as a Shareholder. All decisions regarding the granting of Options shall be made at the sole discretion of the Board of Directors. The Plan does not hinder, limit, force, restrict, or prevent the Board of Directors with respect to the allocation or the issuance of Shares or of any other security of the Corporation, except as specified in the Plan.

## 2.6 Participation Limits

- a) The maximum number of Shares issuable at any time to Eligible Persons who are Insiders pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- b) The maximum number of Shares issued to Eligible Persons who are Insiders within any one-year period pursuant to the exercise of Options granted under this Plan and securities granted under any other Security Based Compensation Arrangement of the Corporation must not exceed 10% of the aggregate number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).

## 2.7 Non-Employee Director Participation Limits

- a) The number of Shares that are issuable to Eligible Persons who are non-employee directors under this Plan and any other Security Based Compensation Arrangements of the Corporation shall not at any time exceed \$150,000 worth of Shares annually per non-employee director, of which no more than \$100,000 may be in the form of Options.

# 3 Terms and Conditions of the Options

## 3.1 Issuance of Shares by the Board of Directors

The Shares to be issued to Optionees upon the exercise of the Options shall not be issued by the Corporation unless and until the issuance of such Shares is duly authorized by the Board of Directors.

## 3.2 Number of Shares

The Options to be granted under the Plan must not be exercisable for more than 10% of the Shares issued and outstanding at the time the Options are granted, provided that if the Options expire or are terminated for any reason before they vest and are exercised, the number of Shares underlying such expired or terminated Options may again be available under the Plan.

## 3.3 Term of Options

Subject to Sections 3.5 and 5.2 hereof, the Expiry Date of an Option is the date established by the Board of Directors at the time of the granting of the particular Option, provided that such date does not extend beyond the fifth anniversary of the Date of Grant of the Option, or such later date as determined in accordance with Section 3.4 hereof.

### 3.4 Black-Out Periods

Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following, a date upon which an Optionee is prohibited from exercising an Option due to a blackout period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation) (a Black-Out Period), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant Black Out Period or other trading restriction imposed by the Corporation is lifted, terminated or removed.

### 3.5 Termination of Options

Subject to Section 3.1 hereof, Optionees may exercise an Option in whole or in part, at any time or from time to time during the Exercise Period, provided that the Option has vested on or before such time pursuant to the terms of the Option Certificate evidencing such Option and provided that, with respect to the exercise of a part of an Option, the Board of Directors shall be entitled, at any time and from time to time, to establish the number of Shares with respect to which an Optionee may exercise a part of the Option held by such Optionee. All of the Options, or parts of an Option, that have not been exercised during the Exercise Period will terminate and become null and void on the day immediately following the Expiry Date. The Expiry Date of an Option will correspond to the earlier of:

- a) the date established by the Board of Directors as the Expiry Date at the time of the granting of the Option and
- b) the date established pursuant to subparagraphs (i) to (v) hereinafter:
  - (i) *Death* – Upon the death of an Optionee who is an Eligible Person, the date established hereby in respect of each Option held by such Optionee at the date of death is the earlier of (A) the Expiry Date of the Option and (B) the expiry of a period of ninety (90) days following the Termination Date; provided that any such Options, or the remainder thereof, which are vested at the Termination Date and which have been granted to such Optionee may be exercised on or before such date by the Optionee's Personal Representative in accordance with the terms of the Plan
  - (ii) *Cessation of Employment* – If an Optionee at any time on a particular day ceases to be employed by the Corporation (other than as a consequence of the termination of employment by the Corporation for cause), or ceases to hold an office of director of the Corporation, or ceases to be engaged by the Corporation as a Service Provider, for any reason other than death and the Option is held by the Optionee at that time, the date established hereby in respect of such Option is three hundred and sixty five (365) days after the Termination Date if such Option was granted to the Optionee by the Corporation at any time on or before October 24, 2017 and in any other case, the date established hereby in respect of such Option is ninety (90) days after the Termination Date.
  - (iii) Notwithstanding subparagraphs (i) and (ii) above, the Board of Directors may, at its discretion and subject to the approval of the Exchange, if required, by means of a prior notice sent to an Optionee or to his or her Personal Representative, allow an Option, or part of an Option, to remain valid and in effect and may direct that the Expiry Date of an Option or part of an Option held by the Optionee be deemed to be the Termination Date, or a date after any of such events.
  - (iv) *Termination of Employment for Cause* – If the employment of an Optionee is terminated for cause, the date established hereby in respect of each Option held by such Optionee is the first day that the Optionee ceased to be employed by the Corporation after expiration of the applicable period of notice of termination, if any.

- (v) *Discretion of the Board of Directors* – The Board of Directors may, at any time or from time to time, with the consent of an Optionee and, subject to the approval of the Exchange, accelerate or postpone the Expiry Date of an Option or of any part of an Option held by the Optionee if the Board of Directors establishes, at its discretion, that this measure is warranted under the circumstances and provided that the Expiry Date of the Option does not extend beyond the fifth anniversary of the Date of Grant.

### 3.6 **Exercise Price**

- a) No consideration will be payable with respect to the granting of an Option. Consideration will be payable pursuant to paragraph 3.6(b) hereunder.
- b) At the time of the granting of an Option, the Board of Directors shall establish the price at which an Optionee may purchase an underlying Share upon the exercise of his or her Option. Said price will not be less than the Market Value.
- c) The Board of Directors may reduce the Exercise Price of an Option with the consent of the Optionee, subject to the prior approval of the disinterested Shareholders of the Corporation and any other requirements of the Exchange, if the Optionee is an Insider.

### 3.7 **Assignment of Options**

Options may not be assigned or transferred. However, to the extent provided for pursuant to Section 4.1 hereof, the Personal Representative of an Optionee may exercise Options during the Exercise Period.

### 3.8 **Adjustments**

Prior to the exercise of an Option, if a stock dividend is paid with respect to the Shares or if the Shares are consolidated, subdivided, converted, exchanged, or redesignated, or if they are in any way replaced (collectively an **Event**), the Option, to the extent that it has not been exercised, will, subject to the approval of the Exchange, entitle the holder thereof, upon its exercise pursuant to its terms and conditions, to the number and type of Shares, other securities or assets that the holder would have been entitled to receive as a result of the Event as if such holder were the owner of the underlying Shares at the time the Event occurred and the Exercise Price of the Option will be the same as if the underlying Shares initially subject to the Option had been purchased pursuant hereto. No fractional Shares will be issued upon the exercise of the Options and if an Optionee is entitled to a fraction of a Share as a result of an Event, then such Optionee will only be entitled to purchase the nearest lower full number of Shares and no payment or any other adjustment will be made with respect to the fractional participation that is not taken into account. If an Event occurs, the number of Shares that the Board of Directors has authorized pursuant to the Plan as set forth in Section 3.2 hereof will be adjusted accordingly.

## 4 **Exercise of Options**

### 4.1 **Exercise of Options**

Only the Optionee or his or her Personal Representative, as the case may be, has the right hereunder to exercise an Option in accordance with the provisions of the Plan. An Optionee, or his or her Personal Representative, may exercise an Option in whole or in part, at any time or from time to time during the Exercise Period provided that the Option has vested on or before such time pursuant to the terms of the Option Certificate evidencing such Option, by delivering to the Board of Directors:

- a) an Exercise Notice duly signed by the Optionee or his or her Personal Representative, as the case may be;
- b) the applicable Option Certificate;

- c) if the Exercise Notice is signed by a Personal Representative of the Optionee whose Options are exercised, any documentation that the Corporation may request and
- d) and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of (i) the aggregate Exercise Price of the underlying Shares that are being purchased as a result of the exercise of the Option and (ii) the amount of the applicable withholding tax as determined by the Corporation.

#### 4.2 Issuance of Shares

As soon as possible after the receipt of the Exercise Notice, the Board of Directors will direct management to ensure that a certificate for the Shares thus purchased on the exercise of an Option is delivered to the Optionee or his or her Personal Representative, as the case may be. If the number of Shares thus purchased is less than the number of Shares represented by the Option Certificate that is surrendered, the Board of Directors shall make a note thereon indicating the number of Shares with respect to which the Option was exercised and shall return such Option Certificate to the Optionee or his or her Personal Representative, as the case may be, at the same time as the Share certificate mentioned above is issued.

#### 4.3 Conditions of the Issuance

The issuance of Shares by the Corporation as a result of the exercise of an Option is subject to the laws (including the *Income Tax Act* (Canada)), rules and regulations of all of the authorities and public bodies applicable with respect to the issuance and the distribution of Shares, including but not limited to the Exchange. The Optionee agrees to comply with all of these laws, rules and regulations, to provide the Corporation with the information, reports and covenants necessary in order to comply with such laws, rules and regulations and to fully collaborate with the Corporation with respect to such compliance.

### 5 Administration, Amendments and Termination of the Plan

#### 5.1 Administration

The Board of Directors will administer the Plan in its sole discretion. The Board of Directors will have the full power and sole responsibility to interpret the provisions of the Plan and to make regulations and formulate administrative provisions for its implementation and to make such changes in the regulations and administrative procedures as, from time to time, the Board of Directors deems proper and in the best interests of the Corporation and to reserve and issue Shares issuable pursuant to the exercise of Options. Such regulations and provisions may include the delegation to a committee of the Board of Directors of such administrative duties and powers of the Board of Directors as it may, in its sole discretion, deem fit. The determinations of the Board of Directors in the administration of the Plan shall be final and conclusive.

#### 5.2 Amendment

The Board of Directors may, at any time and from time to time, without the approval of the Shareholders (other than any required regulatory or Exchange approvals), suspend, discontinue, or amend this Plan or any Option. Examples of the types of amendments that may be made by the Board without Shareholder approval include, without limitation, the following:

- a) amendments to ensure continuing compliance with applicable laws, regulations, requirements, rules or policies or any governmental authority or any stock exchange;
- b) amendments of a “housekeeping” nature, which include amendments to eliminate any ambiguity or correct or supplement any provision contained herein;
- c) amendments respecting the administration of the Plan;



- d) changing the vesting provisions of the Plan or any Option Certificate;
- e) changing the termination provisions of any Option that does not entail an extension beyond the original Expiry Date and
- f) any other amendment that does not require the approval of Shareholders under Section 5.3 hereof.

### 5.3 Amendments Requiring Shareholder Approval

Notwithstanding Section 5.2 hereof, specific Shareholder approval is required for:

- a) any change to the maximum number of Shares issuable from treasury under the Plan, including an increase to the fixed maximum percentage or a change from a fixed maximum percentage to a fixed maximum number of Shares, other than an adjustment pursuant to Section 3.8;
- b) any amendment which reduces the exercise price of any Option after the Options have been granted or any cancellation of an Option and the substitution of that Option by a new Option with a reduced price, except in the case of an adjustment pursuant to Section 3.8;
- c) any amendment which extends the Option Term beyond the original expiry date, except as provided in Section 3.4 hereof;
- d) any amendment to remove or to exceed the Insider Participation Limits;
- e) any amendment which would allow non-employee directors to be eligible for awards under the Plan on a discretionary basis or an amendment which would increase limits imposed on non-employee director participation pursuant to Section 2.7;
- f) any amendment which would permit any Option granted under the Plan to be transferable or assignable by any Eligible Person other than as allowed by Section 3.7;
- g) any amendment to the amendment provisions of this Plan found in Section 5.2 or this Section 5.3.

### 5.4 Change of Control

- a) In the event of a Change of Control, the surviving, continuing, successor or purchasing corporation or Affiliate thereof, as the case may be (the **Successor Corporation**), may either assume the Corporation's rights and obligations under outstanding Options or substitute for outstanding Options substantially equivalent options in the Successor Corporation in a manner that substantially preserves and does not impair the rights of the Optionees thereunder in any material respect.
- b) In the event that an assumption or substitution of Options is not made by the Successor Corporation in accordance with paragraph a) prior to or in connection with a Change of Control, all Options held by an Optionee as at the date of the Change of Control, whether vested or unvested, will automatically vest as of the date of the Change of Control.
- c) If the employment of an Optionee is terminated by the Corporation during the one (1) year period after a Change of Control for any reason other than for cause, or the Optionee resigns from his employment as a result of Constructive Dismissal, then any unvested Options held by the Optionee as at the date of the Change of Control shall accelerate and will fully vest effective on the date of the Change of Control and all Options that are vested or deemed to be vested may be exercised by the Optionee within 30 days from the Termination Date.

#### **5.5 Retroactive Amendment**

The Board of Directors may, from time to time and subject to the approval of the Exchange, retroactively amend the Plan provided they are permitted to do so under this Section 5 hereof and, with the consent of the affected Optionees, retroactively amend the terms and conditions of the Options that have been granted until then.

#### **5.6 Termination of the Plan**

The Board of Directors may terminate the Plan at any time, provided that such termination does not affect the rights of any Optionee pursuant to any Option and does not amend the terms and conditions of any Option that has been granted to such Optionee before the date of such termination and, notwithstanding such termination, the Corporation, the Options and the Optionees will continue to be subject to the provisions of the Plan.

**SCHEDULE B – ARTICLES OF CONTINUANCE**

*See attached.*

## Articles of Continuance

*Business Corporations Act*  
Section 188

This information is collected in accordance with the *Business Corporations Act*. It is required to convert an extra-provincial corporation to an Alberta corporation for the purpose of issuance of a certificate of continuance. Collection is authorized under s. 33(a) of the *Freedom of Information and Protection of Privacy Act*. Questions about the collection can be directed to Service Alberta Contact Centre staff at [cr@gov.ab.ca](mailto:cr@gov.ab.ca) or 780-427-7013 (toll-free 310-0000 within Alberta).

### 1. Name of Corporation

**CAVVY ENERGY LTD.**

### 2. The classes of shares, and any maximum number of shares that the corporation is authorized to issue:

The attached Schedule is incorporated into and forms part of the Articles of the Corporation.

### 3. Restrictions on share transfers (if there are no restrictions, enter "NONE"):

None

### 4. Number, or minimum and maximum number of directors:

Minimum 3 and Maximum 11

### 5. If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restrictions (if there are no restrictions, enter "NONE"):

None

### 6. Other rules or provisions (if there are no restrictions, enter "NONE"):

The attached schedule is incorporated into and forms part of the Articles of the Corporation.

### 7. If a change of name is effected, indicate previous name:

N/A

### 8. Current Extra-Provincial Registration (if applicable):

Corporation's Name on Alberta Extra-Provincial Registration

Cavvy Energy Ltd.

Alberta Corporate Access Number

2120763509

### 9. Current Jurisdiction Information

Name (if different from the corporation's name as stated above)

N/A

Registration Number in Current Jurisdiction

1034122-3

Jurisdiction

Canada

Date of Formation in Current Jurisdiction (yyyy-mm-dd)

2017-10-24

Business Number (mandatory)

810162685

10. **Authorized Representative/Authorized Signing Authority for the Corporation**

_____ Last Name, First Name, Middle Name ( <i>optional</i> )	_____ Relationship to Corporation
_____ Telephone Number( <i>optional</i> )	_____ Email Address ( <i>optional</i> )
_____ Date of submission ( <i>yyyy-mm-dd</i> )	_____ Signature

THIS SCHEDULE IS INCORPORATED INTO  
AND FORMS PART OF THE ARTICLES OF  
CAVVY ENERGY LTD. (the "Corporation")

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series.

**I. COMMON SHARES**

The rights, privileges, restrictions and conditions attached to the Common Shares, as a class, shall be as follows:

- (a) to vote at any meeting of the shareholders of the Corporation;
- (b) to receive any dividend declared by the Corporation; and
- (c) to receive the remaining property of the Corporation on dissolution.

**II. PREFERRED SHARES**

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

**Issuance in Series**

Subject to the filing of Articles of Amendment in accordance with the *Business Corporations Act* (Alberta) (the "Act"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.

Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series in the event of a liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the property or assets of the Corporation among its shareholders for the purposes of winding up its affairs (a "Distribution"); the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

**Limitation**

No Preferred Shares of any series shall be issued at any time if, as a result of, and at the time of, such issuance:

- (a) the aggregate number of Preferred Shares that would then be outstanding would exceed 50% of the aggregate number of Common Shares then outstanding; or
- (b) the maximum aggregate number of Common Shares into which all of the Preferred Shares then outstanding could be converted in accordance with their terms (regardless of any restrictions on the time of conversion and regardless of any conditions to the conversion) would exceed 20% of the aggregate number of Common Shares then outstanding; or
- (c) the aggregate number of votes which the holders of all of the Preferred Shares then outstanding would be entitled to cast (regardless of any conditions) at any meeting of the shareholders of the Corporation (other than a meeting at which only holders of the Preferred Shares or any series are entitled to vote) would exceed 20% of the aggregate number of votes which the holders of all of the Common Shares then outstanding would be entitled to cast at any meeting.

### **Dividends**

Subject to the preferences accorded to holders of any other shares of the Corporation ranking senior to the Preferred Shares from time to time with respect to the payment of dividends, the holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

### **Liquidation**

In the event of a Distribution, holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to payment on a Distribution, to be paid rateably with holders of each other series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.



THIS SCHEDULE IS INCORPORATED INTO  
AND FORMS PART OF THE ARTICLES OF  
CAVVY ENERGY LTD. (the "Corporation")

**OTHER RULES OR PROVISIONS (IF ANY):**

The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed one-third (1/3) of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

## SCHEDULE C – COMPARATIVE SUMMARY OF THE CBCA AND ABCA

This Schedule provides a high-level overview of certain differences between the *Canada Business Corporations Act* (the “CBCA”) and the *Business Corporations Act* (Alberta) (the “ABCA”). This summary is not exhaustive and is not intended to be a comprehensive review of the two statutes and is qualified in its entirety by the full text of both the CBCA and ABCA, and the regulations thereunder. Furthermore, this summary is not intended to be, and should not be construed to be, legal advice. Shareholders should consult their own legal advisors with respect to the specific provisions of the CBCA and the ABCA, and their rights under either statute.

Subject Matter	CBCA	ABCA
<b>Board of Directors Residency Requirements</b>	Under the CBCA, at least one-quarter of a corporation’s directors must be resident Canadians. There is no residency requirement for committees of the board of directors.	There are no equivalent residency requirements for directors under the ABCA.
<b>Financial Assistance Disclosure</b>	There is no equivalent financial assistance disclosure requirement under the CBCA.	The ABCA requires disclosure of financial assistance given by a corporation to shareholders or directors of the corporation or its affiliates, to any of their associates, or in connection with the purchase of shares of the corporation or its affiliates.
<b>Individuals with Significant Control Register</b>	The CBCA requires a corporation to maintain a register setting out all individuals “with significant control” of the corporation. An individual with “significant control” is one who has registered, beneficial, direct or indirect control over more than 25 percent of shares in the corporation, or who exercises direct or indirect influence that, if exercised, would result in control of the corporation.	There is no similar requirement for disclosing individuals with significant control under the ABCA.
<b>Place of Meetings (Shareholders)</b>	The CBCA provides that a meeting of shareholders must be held in Canada, unless a place outside of Canada is specified in the articles, or all the shareholders entitled to vote at the meeting agree for the meeting to be held outside of Canada.  The CBCA provides that meetings of shareholders may be attended or held by electronic means, subject to a corporation’s constating documents.	The ABCA does not specify a place for meetings of shareholders.  The ABCA provides that meetings of shareholders may be attended or held by electronic means, subject to a corporation’s constating documents.

Subject Matter	CBCA	ABCA
<b>Shareholder Proposals</b>	<p>Under the CBCA, a registered holder or beneficial owner of shares entitled to be voted at an annual meeting of shareholders may submit a proposal. To be eligible to submit a proposal, a person must either:</p> <ul style="list-style-type: none"> <li>• be a registered holder or beneficial owner of at least one percent of all outstanding voting shares of the corporation or the number of outstanding voting shares whose fair market value is a least \$2,000, for at least six months; or</li> <li>• have the support of persons who, in the aggregate, for at least six months, have been registered holders, or the beneficial owners of, at least one percent of the outstanding shares of the corporation or the number of outstanding voting shares whose a fair market value is a least \$2,000.</li> </ul>	<p>Under the ABCA, a registered holder of shares entitled to vote at an annual meeting of shareholders, or a beneficial owner of shares, may submit a proposal. To be eligible to make a proposal, a person must:</p> <ul style="list-style-type: none"> <li>• be a registered holder or beneficial owner of at least one percent of all outstanding voting shares of the corporation or the number of outstanding voting shares whose fair market value is a least \$2,000, for at least six months;</li> <li>• have the support of other registered holders or beneficial owners of shares of at least five percent of the outstanding voting shares of the corporation;</li> <li>• provide to the corporation his or her name and address and the names and addresses of those registered holders or beneficial owners of shares who support the proposal; and</li> <li>• continue to hold or own the prescribed number of shares up to and including the day of the meeting at which the proposal is to be made.</li> </ul>
<b>Record Date for Voting</b>	<p>There is no equivalent provision with respect to establishing a right to vote after the record date under the CBCA.</p>	<p>The ABCA permits a transferee of common shares after the record date for a shareholder meeting, not later than 10 days before the shareholder meeting, to establish a right to vote at the meeting by providing evidence of ownership of common shares and demanding the transferee's name be placed on the voting list in place of the transferor.</p>
<b>Rights of Dissent</b>	<p>Under the CBCA, registered shareholders have a right to dissent to certain fundamental changes with respect to a corporation and, if such fundamental changes are effected, be paid the fair value in respect of their shares. These dissent rights are subject to strict adherence to the procedures set forth under the CBCA.</p>	<p>The dissent rights under the ABCA are substantially similar to those under the CBCA.</p>
<b>Amendments to the Articles of the Corporation</b>	<p>Under the CBCA, certain fundamental changes to the articles of a corporation, such as an alteration of any restrictions on the business carried on by the corporation, changes in the corporation's name, increases or decreases in the authorized capital, the creation of any new classes of shares and changes in the jurisdiction of incorporation, must be approved by a special resolution passed by a majority of not less than two-thirds of the votes cast by shareholders voting in person or by proxy at a meeting of the shareholders.</p>	<p>The provisions with respect to an amendment to the articles of a corporation under the ABCA are substantially similar to those under the CBCA.</p>

Subject Matter	CBCA	ABCA
<b>Sale of Property</b>	<p>Under the CBCA, any proposed sale, lease or exchange of all or substantially all of the property of a corporation other than in the ordinary course of business must be approved by a special resolution passed by a majority of not less than two-thirds of the votes cast by shareholders voting in person or by proxy at a meeting of shareholders.</p> <p>The holders of shares of a class or series of shares of a corporation are entitled to vote separately as a class or series in respect of such a sale, lease or exchange if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.</p>	<p>The provisions with respect to sale of all or substantially all of the property of a corporation under the ABCA are substantially similar to those under the CBCA.</p>
<b>Oppression Remedies</b>	<p>Under the CBCA, a registered shareholder or former registered shareholder, beneficial shareholder or former beneficial shareholder, director or former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates:</p> <ul style="list-style-type: none"> <li>• any act or omission of a corporation or its affiliates effects a result the business or affairs of a corporation,</li> <li>• any of its affiliates are or have been carried on or conducted in a manner, or</li> <li>• the powers of a corporation or any of its affiliates are or have been exercised in a manner,</li> </ul> <p>that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any securityholder, creditor, director or officer.</p>	<p>The oppression remedies under the ABCA are substantially similar to those under the CBCA.</p>
<b>Shareholder Derivative Action</b>	<p>Under the CBCA, a shareholder, former shareholder, director, former director, officer or former officer of a corporation or its affiliates, or any other person who, in the discretion of a court, is a proper person to seek a derivative action may apply to the court for leave to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in the action to which a corporation or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the corporation or the subsidiary.</p>	<p>The ability to bring a derivative action under the ABCA is substantially similar to that under the CBCA.</p>
<b>Waiver of Business Interests</b>	<p>There is no equivalent waiver of interest provision under the CBCA.</p>	<p>Under the ABCA, if permitted under a corporation's articles, a corporation may waive any interest or expectancy of the corporation in specified business opportunities that are presented to the corporation or its officers, directors or shareholders.</p>

Subject Matter	CBCA	ABCA
<b>Dissident Proxy Solicitation</b>	Under the CBCA, a person, other than management or a person acting on behalf of management, can solicit proxies without a proxy circular if the solicitation is conveyed by public broadcast, speech or publication.	There is no equivalent provision permitting dissident proxy solicitation by way of public dissemination under the ABCA. Shareholders who wish to solicit proxies must prepare a proxy circular.
<b>Stock Splits</b>	Under the CBCA, a special resolution of shareholders is required to amend the articles of a corporation to change shares in a class into a different number of shares of the same class.	The ABCA permits a directors' resolution to authorize a stock split where the only issued shares of a corporation are of one class as an alternative to a split achieved by filing articles of amendment. In the event a stock split approved by the directors, shareholders must be notified within 60 days. However, if more than one class of shares is outstanding, the holders of each class, voting separately as a class, must approve the split by special resolution.
<b>Notice of Meeting (Shareholders)</b>	Notice of the time and place for a meeting of shareholders must be sent to each shareholder entitled to vote at the meeting, each director and the auditor of a corporation no less than 21 days and no more than 60 days before the meeting.	Notice of the time and place for a meeting of shareholders must be sent to each shareholder entitled to vote at the meeting, each director and the auditor of a corporation no less than 21 days and no more than 50 days before the meeting.
<b>Diversity Disclosure</b>	At every annual meeting of shareholders, a corporation must disclose certain prescribed information respecting diversity among its directors and senior management to shareholders.	The ABCA does not have an equivalent diversity disclosure provision.

**SCHEDULE D – BY-LAWS OF THE CORPORATION**

*See attached.*

## **BY-LAW NO. 1**

A By-Law relating generally to the transaction of the business and affairs of Cavvy Energy Ltd.

### **CONTENTS**

<b><u>SECTION</u></b>	<b><u>SUBJECT</u></b>
One	Interpretation
Two	Business of the Corporation
Three	Directors
Four	Committees
Five	Protection of Directors and Officers
Six	Shares
Seven	Dividends
Eight	Meetings of Shareholders
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Ten	Documents In Electronic Or Other Form
Eleven	Effective Date

IT IS HEREBY ENACTED as By-law No. 1 of Cavvy Energy Ltd. (hereinafter called the "Corporation") as follows:

### **SECTION ONE** **INTERPRETATION**

#### **1.01**      **Definitions**

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

"Act" means the *Business Corporations Act* of Alberta, and any statute that may be substituted therefor, including the regulations thereunder, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the articles of the Corporation, as defined in the Act, and includes any amendments thereto;

"board" means the board of directors of the Corporation;

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

“meeting of shareholders” means any meeting of shareholders, including any meeting of one or more classes or series of shareholders;

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

“signing officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.03 or by a resolution passed pursuant thereto.

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

#### **1.02            Conflict with the Act or the Articles**

To the extent of any conflict between the provisions of the by-laws and the provisions of the Act or the articles, the provisions of the Act or the articles shall govern.

#### **1.03            Headings and Sections**

The headings used throughout the by-laws are inserted for convenience of reference only and are not to be used as an aid in the interpretation of the by-laws. “Section” followed by a number means or refers to the specified section of this by-law.

#### **1.04            Invalidity of any Provision of By-laws**

The invalidity or unenforceability of any provision of the by-laws shall not affect the validity or enforceability of the remaining provisions of the by-laws.

### **SECTION TWO** **BUSINESS OF THE CORPORATION**

#### **2.01            Corporate Seal**

The Corporation may, but need not, adopt a corporate seal. The corporate seal of the Corporation, if any, shall be in such form as the board may from time to time by resolution approve. A document executed on behalf of the Corporation is not invalid merely because a corporate seal is not affixed to it.

#### **2.02            Financial Year**

The financial year of the Corporation shall end on such date in each year as the board may from time to time by resolution determine.



### **2.03            Execution of Instruments**

Deeds, transfers, assignments, contracts, mortgages, charges, obligations, certificates and other instruments of any nature whatsoever, other than security certificates, (collectively "instruments") shall be signed on behalf of the Corporation by one or more persons who hold the office of director, chair of the board, chief executive officer, chief financial officer, vice president, treasurer or any other office created by resolution of the board.

Security certificates (including share certificates) shall be signed by at least one director or the president, chief executive officer or chief financial officer of the Corporation, provided that, unless the board otherwise determines, certificates representing securities in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless also countersigned by or on behalf of such transfer agent and/or registrar. The signature of the signing director or officer or, in the case of security certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of such signatories, may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the signatory whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that one or both of the signatories whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

In addition, the board is authorized from time to time by resolution to appoint any person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments. Any signing officer may affix the corporate seal to any instrument requiring the same.

### **2.04            Execution in Counterpart, By Facsimile, and by Electronic Signature**

(a) Subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by electronic means or by facsimile; and

(b) Any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document.

### **2.05            Banking Arrangements**

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

### **2.06            Voting Rights in Other Bodies Corporate**

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

## **2.07            Divisions**

The board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the board may consider appropriate in each case. From time to time the board may authorize upon such basis as may be considered appropriate in each case:

- (a) the designation of any such division by, and the carrying on of the business and operations of any such division under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation; and
- (b) the appointment of officers for any such division and the determination of their powers and duties, provided that any such officers shall not, as such, be officers of the Corporation.

## **SECTION THREE DIRECTORS**

### **3.01            Number of Directors**

The board shall consist of the number of directors provided in the articles, or, if a minimum number and a maximum number of directors is so provided, the number of directors of the Corporation shall be determined from time to time by ordinary resolution of the shareholders, or in the absence of such resolution, by resolution of the directors.

### **3.02            Calling and Notice of Meetings**

Meetings of the board shall be called and held at such time and at such place as the board, the chair of the board, the chief executive officer or any two directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the board shall be given in the manner provided in Section Nine to each director not less than forty-eight hours before the time when the meeting is to be held unless waived in accordance with the Act. 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 Act. Notwithstanding the foregoing, 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 no other notice shall be required for any such regular meeting except where the Act requires specification of the purpose or the business to be transacted thereat. Provided that a quorum of directors is present, each newly elected board may, without notice, hold its first meeting following the meeting of shareholders at which such board was elected.

### **3.03            Place of Meetings**

Meetings of the board may be held at any place in or outside Alberta.

### **3.04            Meetings by Telephonic, Electronic or Other Communication Facility**

A director may participate in a meeting of the board or of a committee of the board by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A director participating in such a meeting in such manner shall be considered present at the meeting and at the place of the meeting.

### **3.05            Quorum**

Subject to the requirements under the Act, the quorum for the transaction of business at any meeting of the board shall consist of a majority of directors holding office (or such greater or lesser number of directors as the Board may determine from time to time), provided that, if the board consists of only one director, the quorum for the transaction of business at any meeting of the board shall consist of one director.

### **3.06            Chair and Secretary**

The chair of any meeting of the board shall be the director present at the meeting who is the first mentioned of the following officers as have been appointed: chair of the board, chief executive officer, other executive officer (in order of seniority), or a vice-president (in order of seniority). If no such officer is present, the directors present shall choose one of their number to be chair. The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation is absent, the chair of the meeting shall appoint some person, who need not be a director, to act as secretary of the meeting.

### **3.07            Action by the Board**

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. A director participating in a meeting by electronic means, telephone or other communication facilities may vote by means of such facility. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. The powers of the board may also be exercised by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the board.

### **3.08            Adjourned Meeting**

Any meeting of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. Notice of an adjourned meeting of directors is not required if the time and place of the adjourned meeting is announced at the original meeting. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

### **3.09            Remuneration and Expenses**

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

### **3.10            Officers**

The board from time to time may appoint one or more officers of the Corporation and, without prejudice to rights under any employment contract, may remove any officer of the Corporation. An officer may, but need not be a director of the Corporation, other than the chair of the board who must be a director. One person may hold more than one office. The powers and duties of each officer of the Corporation shall, subject to the Act, be those determined from time to time by the board and, in the absence of such determination, shall be those customarily held by such office at organizations reasonably similar to the Corporation in terms of size and nature of business.

**3.11            Agents and Attorneys**

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

**SECTION FOUR**  
**COMMITTEES**

**4.01            Committees of the Board**

Subject to the Act, the board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board.

**4.02            Transaction of Business**

The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any committee may be held at any place in or outside Alberta.

**4.03            Procedure**

Unless otherwise determined by the board, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chair and the rules for calling, holding, conducting and adjourning meetings of the committee which, unless otherwise determined, shall be the same as those governing the board. Each member of a committee shall serve during the pleasure of the board of directors and, in any event, only so long as such person shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

**SECTION FIVE**  
**PROTECTION OF DIRECTORS AND OFFICERS**

**5.01            Limitation of Liability**

No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of their respective office or trust or in relation thereto unless the same shall happen by or through their failure to exercise the powers and to discharge the duties of their office honestly, in good faith and with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

**5.02            Indemnity**

The Corporation shall, to the maximum extent permitted and subject to any limitations under the Act or otherwise by law, indemnify a director or officer of the Corporation, a former director or officer of the Corporation, and a person who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, and their heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other action or proceeding to which they are made a party to or involved by reason of that association with the Corporation or such other entity.

**5.03            Advance Of Costs**

The Corporation shall, to the maximum extent permitted under the Act or otherwise by law, advance moneys to an individual referred to in Section 5.02 to defray the costs, charges and expenses of a proceeding referred to in Section 5.02 provided such individual shall repay the moneys advanced if the individual does not fulfil the conditions set forth in the Act.

**5.04            Court Approval**

The Corporation shall use reasonable commercial efforts to obtain any court or other approvals necessary for any indemnification pursuant to Sections 5.02.

**5.05            Indemnities Not Exclusive**

The rights of any person to indemnification granted by the Act or this by-law are not exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors, at law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and will enure to the benefit of the heirs and legal representatives of that person.

**5.06            Insurance**

The Corporation may purchase, maintain or participate in insurance for the benefit of the persons referred to in Section 5.02 as the board may from time to time determine.

**SECTION SIX  
SHARES AND OTHER SECURITIES**

**6.01            Lien for Indebtedness**

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Corporation, such lien may be enforced, subject to any other provisions of the articles, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

**6.02            Non-Recognition of Trusts**

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

**6.03            Joint Shareholders**

If two or more persons are registered as joint holders of any security:

- (a) the Corporation shall record only one address on its books for such joint holders;
- (b) the address of such joint holders for all purposes with respect to the Corporation shall be their recorded address; and
- (c) any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such security.

**SECTION SEVEN  
DIVIDENDS**

**7.01            Dividends**

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

**7.02            Dividend Cheques**

A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the shareholder's recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders the cheque shall, unless such joint holders otherwise direct and the Corporation agrees to follow such direction, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. Alternatively, dividends payable in money may be paid to shareholders by such form of electronic funds transfer as the board considers appropriate.

**7.03            Non Receipt of Cheques**

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case. No dividend shall bear interest against the Corporation.

**7.04            Record Date for Dividends and Rights**

The board may, within the prescribed period under the Act, fix in advance a date, as a record date for determining shareholders entitled to receive payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation and, unless notice of the record date is waived in writing, notice of any such record date shall be given within the prescribed period under the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or for the issue of any warrant or other evidence of or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

**7.03            Unclaimed Dividends**

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

**SECTION EIGHT  
MEETINGS OF SHAREHOLDERS**

**8.01            Place of Meetings**

Meetings of the shareholders shall be held at such place within Alberta as the board shall determine. Subject to the Act, meetings may be held outside of Alberta.

**8.02            Participation in Meeting By Electronic Means**

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by electronic means, telephone or other communication facility that permits all participants to hear each other or otherwise communicate with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means shall be deemed to be present in person at the meeting.

**8.03            Electronic Meetings**

If the directors or the shareholders of the Corporation call a meeting of shareholders, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**8.04            Chair, Secretary and Scrutineers**

The chair of any meeting of shareholders, who need not be a shareholder of the Corporation, shall be the first mentioned of the following officers as has been appointed and is present at the meeting: chair of the board, chief executive officer, other executive officer (in order of seniority), or a vice-president (in order of seniority). If no such officer is present and willing to act as chair within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. The chair shall conduct the proceedings at the meeting in all respects and their decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders. The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The board may from time to time appoint in advance of any meeting of shareholders one or more persons to act as scrutineers at such meeting and, in the absence of such appointment, the chair may appoint one or more persons to act as scrutineers at any meeting of shareholders. Scrutineers so appointed may, but need not be, shareholders, directors, officers or employees of the Corporation.

**8.05            Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be: (a) those entitled to vote at such meeting; (b) the directors and auditors of the Corporation; (c) others who, although not entitled to vote, are entitled or required under any provision of the Act, the articles or the by-laws to be present at the meeting; (d) legal counsel to the Corporation when invited by the Corporation to attend the meeting; and (e) any other person on the invitation of the chair or with the consent of the meeting.

**8.06**            **Quorum**

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person or represented by proxy, 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.

**8.07**            **Representatives**

The authority of an individual to represent a body corporate or association at a meeting of shareholders of the Corporation shall, at the request of the chair of such meeting, be established by depositing with the Corporation a certified copy of the resolution of the directors or governing body of the body corporate or association, as the case may be, granting such authority, or in such other manner as may be satisfactory to the chair of the meeting.

**8.08**            **Action by Shareholders**

The shareholders shall act by ordinary resolution unless otherwise required by the Act, articles or by-laws. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

**8.09**            **Show of Hands**

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

**8.10**            **Ballots**

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

**8.11**            **Electronic Voting**

Notwithstanding Section 8.09, any vote referred to in Section 8.08 may be held, in accordance with the Act, partially or entirely by electronic means, telephone or other communication facility, if the Corporation has made available such a facility.

Any person participating in a meeting of shareholders under Section 8.02 or 8.03 and entitled to vote at the meeting may vote, in accordance with the Act by electronic means, telephone or other communication facility that the Corporation has made available such purpose.



**8.12            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 may be signed in one or more counterparts.

**SECTION NINE**  
**NOTICES**

**9.01            Method of Giving Notices**

Any notice (which term includes any communication or contract document or instrument in writing, or electronic document) to be given (which term includes sent, delivered or served) pursuant to the Act, the articles or the by-laws or otherwise to a shareholder, director, officer, or auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's record address or agent for service address or alternative agent for service address or if mailed to such person at such record address or agent for service address or alternative agent for service address, by prepaid mail or if sent to such person by electronic means as permitted by, and in accordance with, the Act. The secretary of the Corporation or any other officer may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary or such other officer to be reliable. The foregoing shall not be construed so as to limit the manner or effect of giving notice by any other means of communication otherwise permitted by law.

**9.02            Notice to Joint Holders**

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

**9.03            Computation of Time**

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

**9.04            Omissions and Errors**

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

**9.05            Persons Entitled by Death or Operation of Law**

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

**SECTION TEN**  
**DOCUMENTS IN ELECTRONIC OR OTHER FORM**

**10.01      Creation and Provision of Information**

Subject to the Act, a notice, document or other information may be created or provided in the form of an electronic document and such electronic document may be generated, sent, received, stored or otherwise processed by means of an information system.

**SECTION ELEVEN**  
**EFFECTIVE DATE**

**11.01      Effective Date**

This by-law shall come into force when made by the board in accordance with the Act.

**MADE** by the board the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Authorized Signatory

**CONFIRMED** by the shareholders in accordance with the Act the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Authorized Signatory

## BY-LAW NO. 2

### Advance Notice By-law of Cavvy Energy Ltd.

IT IS HEREBY ENACTED as By-law No. 2 (the "By-Law") of Cavvy Energy Ltd. (the "Corporation") as follows:

#### 1.01 Definitions

For purposes of this By-law:

- (a) "Act" means the *Business Corporations Act* of Alberta, and any statute that may be substituted therefor, including the regulations thereunder, as the same may be amended from time to time;
- (b) "acting jointly or in concert" has the meaning ascribed thereto in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as the same may be amended from time to time;
- (c) "affiliate" has the meaning ascribed thereto in the Act, as the same may be amended from time to time;
- (d) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, the written 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 authority of each province and territory of Canada, in each such case as the same may be amended from time to time;
- (e) "articles" means the articles of the Corporation, as defined in the Act, and includes any amendments thereto;
- (f) "associate" has the meaning ascribed thereto in National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as the same may be amended from time to time;
- (g) "board" means the board of directors of the Corporation;
- (h) "business day" means any day, other than a Saturday, a Sunday or a statutory or civic holiday observed in the Province of Alberta; and
- (i) "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Data Analysis and Retrieval at [www.sedarplus.ca](http://www.sedarplus.ca).

#### 1.02 Nomination Procedures

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

- (a) by or at the direction of the board, including pursuant to a notice of meeting;

- (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders of the Corporation made in accordance with the provisions of the Act; 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 By-law and on the record date for notice of such meeting of shareholders, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this By-law.

### **1.03 Nominations For Election**

Subject to Section 1.02(a) and (b), for the avoidance of doubt, the procedures set forth in this By-Law shall be the exclusive means for any person to bring nominations for election to the board before any meeting of shareholders.

### **1.04 Timely Notice**

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely and in proper written form to the secretary of the Corporation, or, if the Corporation does not have a secretary, any officer of the Corporation (any such person, the "Acting Secretary"), in accordance with this By-law.

### **1.05 Manner of Timely Notice**

To be timely, a Nominating Shareholder's notice to the Acting Secretary must be made:

- (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than thirty (30) days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than fifty (50) days after the date on which the first public announcement (the "Notice Date") of the date of the annual meeting was made by the Corporation, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes as well), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made by the Corporation;
- (c) in the case of an annual meeting (including an annual and special meeting) of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy related materials, not less than forty (40) days prior to the date of the meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than fifty (50) days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the tenth (10th) day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the fifteenth (15th) day following the Notice Date; and

- (d) each of the notice periods set forth above shall reset if the meeting is adjourned and/or postponed, and for these purposes the date on which the first public announcement of the date of the meeting was made shall be the date of the first public announcement of the adjournment and/or postponement.

#### **1.06 Proper Form of Notice**

To be in proper written form, a Nominating Shareholder's notice to the Acting Secretary must:

- (a) set forth, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a "Proposed Nominee"):
  - (i) the name, age, business address and residential address of the Proposed Nominee;
  - (ii) the principal occupation, business or employment of the Proposed Nominee and the name and principal business of any company in which such employment is carried on, both presently and within the five preceding years;
  - (iii) the number of securities of each class of securities of the Corporation or of any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
  - (iv) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- (b) set forth, as to each Nominating Shareholder and each beneficial owner, if any, on whose behalf the nomination is made:
  - (i) the name, and business or residential address, as applicable, of such person;
  - (ii) the number of securities of each class of securities of the Corporation or of any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by such person or any of its affiliates or associates, or any person acting jointly or in concert with any of them with respect to the Corporation or any of its securities, 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;
  - (iii) any other information relating to such person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

Subject to applicable law, all information received by the Corporation respecting the Proposed Nominee and/or the Nominating Shareholder that the Corporation determines is relevant to providing shareholders with sufficient information to make an informed voting decision on the Proposed Nominee will be made publicly available to shareholders, provided the Corporation may elect not to make such disclosure where the Proposed Nominee or Nominating Shareholder has otherwise publicly disclosed such information or the Nominating Shareholder has indicated to the Corporation that it intends to deliver a dissident's proxy circular to the shareholders of the Corporation in connection with such nomination that will provide shareholders with all required and relevant information respecting the Proposed Nominee. In submitting

such information to the Corporation the Proposed Nominee and Nominating Shareholder shall have thereby consented to the disclosure contemplated hereby.

Reference to "Nominating Shareholder" in this section 1.06 shall be deemed to refer to each shareholder that nominates or seeks to nominate a person for election as a director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

#### **1.07    Notice to be Updated**

All information to be provided pursuant to section 1.06 above (except as otherwise expressly provided for in section 1.06) shall be provided as of the date of such notice. In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

#### **1.08    Power of the Chair**

The chair of the meeting of shareholders 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.

#### **1.09    Discussion of Matters**

Nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or the discretion of the chair of the meeting.

#### **1.10    Delivery of Notice**

Notwithstanding any other provision of this By-law, notice given to the Acting Secretary pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (to the Acting Secretary), and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Acting Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. Calgary time on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

#### **1.11    Board Discretion**

Notwithstanding the foregoing, the board may, in its sole discretion, waive all or any requirements in this By-law.

#### **1.12    Effective Date**

Subject to its confirmation by the shareholders in accordance with the Act, this By-law will come into force on the date approved by the board.

**MADE** by the board the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Authorized Signatory

**CONFIRMED** by the shareholders in accordance with the Act the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Authorized Signatory

## **SCHEDULE E – DISSENT RIGHTS UNDER THE CBCA**

### **Right to dissent**

**190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

### **Further right**

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

### **If one class of shares**

**(2.1)** The right to dissent described in subsection (2) applies even if there is only one class of shares.

### **Payment for shares**

**(3)** In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

### **No partial dissent**

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

### **Objection**

**(5)** A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

### **Notice of resolution**

**(6)** The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.



**Demand for payment**

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

**Share certificate**

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

**Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

**Endorsing certificate**

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

**Suspension of rights**

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

**Offer to pay**

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

**Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

**Payment**

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

**Corporation may apply to court**

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

**Shareholder application to court**

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

**Venue**

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

**No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

**Parties**

(19) On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

**Powers of court**

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

**Appraisers**

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

**Final order**

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

**Interest**

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

**Notice that subsection (26) applies**

**(24)** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**Effect where subsection (26) applies**

**(25)** If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

**(a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

**(b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**Limitation**

**(26)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

**(a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or

**(b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

## **SCHEDULE F - BOARD OF DIRECTORS MANDATE**

### **1. PRIMARY OBJECTIVE**

The primary objective of the Board in discharging its mandate is the effective and efficient conduct by the Corporation of its business and affairs in accordance with its articles, by-laws, and policies and in a manner and to the extent consistent with applicable law and with the purpose of enhancing and preserving Shareholder value while taking into account the legitimate interests of employees, customers, lenders and the wider communities.

Accordingly, the Board will be concerned with such matters as strategic and financial planning, risk assessment and mitigation, senior management determination, corporate governance, public disclosure, and compliance monitoring.

### **2. DIRECTORS**

Each director has the duty to act in the best interests of the Corporation and in so doing must thoroughly understand the nature and extent of the Corporation's business and affairs while maintaining an acute awareness of the political, economic, social, legal, and environmental realities and constraints prevailing in all jurisdictions in which the Corporation conducts, or proposes to conduct, its business and affairs. In exercising their powers and in discharging their duties, the directors shall:

- act honestly and in good faith with a view to the best interests of the Corporation;
- exercise the care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances;
- disclose to the Corporation the nature and extent of any interest that the director has in a material contract or material transaction with the Corporation if the director is a party to the contract or transaction, is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction or has a material interest in a party to the contract or transaction;
- comply with the CBCA and the regulations enacted thereunder as well as with the Corporation's articles and by-laws; and
- comply with their obligations under applicable law and the policies adopted by the Corporation.

### **3. MANDATE**

#### **(a) statutory responsibilities**

The Board has the statutory responsibility:

- to supervise the management of the business and affairs of the Corporation;
- to review and to approve the annual consolidated financial statements of the Corporation;
- to place before the Shareholders at every annual meeting the annual consolidated financial statements of the Corporation, the report of the auditor and any further information respecting the financial position of the Corporation and the results of its operations required by the articles and by-laws of the Corporation.

The Board is also responsible for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:

- any submission to the Shareholders of a question or matter requiring the approval of the Shareholders;
- the filling of a vacancy among the directors or in the office of auditor, or appointment of additional directors;
- the declaration of dividends;
- the purchase, redemption, or any other form of acquisition of securities issued by the Corporation;
- the approval of a management proxy circulars;
- the approval of any take-over bid circular or directors' circular;
- the approval of annual consolidated financial statements of the Corporation; and
- the adoption, amendment, or repeal of the by-laws of the Corporation.

## **(b) strategic and financial planning**

The Board has the responsibility:

- to review and consider for approval the strategic and financial objectives of the Corporation proposed by management;
- to review and consider for approval the operating and capital budgets of the Corporation proposed by management;
- to review and consider for approval all amendments or departures from the established strategic and financial objectives and budgets of the Corporation as proposed by management; and
- to review financial performance of the Corporation measured against the financial objectives and budgets of the Corporation.

## **(c) risk assessment and mitigation**

The Board has the responsibility:

- to ensure that management has identified and assessed the principal risks attendant on the business and affairs of the Corporation and has achieved an appropriate balance between the risks incurred and the anticipated benefits; and
- to confirm that there are systems in place which effectively monitor and mitigate those risks with a view to achieving the strategic and financial objectives of the Corporation.

## **(d) senior management determination**

The Board has the responsibility:

- to appoint the CEO and approve the primary duties of the CEO;
- to approve the terms and conditions (including compensation) of the CEO's employment by the Corporation;
- to monitor and assess the performance of the CEO measured against the strategic and financial objectives of the Corporation;
- if requested by the CEO, to advise and counsel the CEO in the execution of the CEO's duties;
- in consultation with the CEO, to approve the appointment of the other Officers and to approve the terms and conditions (including compensation) of those Officers' employment by the Corporation; and
- to assess the adequacy of the processes implemented by the Corporation to train and develop the Officers and other members of senior management and to achieve the orderly succession of management.

## **(e) corporate governance**

The Board has the responsibility:

- to implement appropriate structures and procedures to permit the Board to function independently of management;
- to analyse the definition of independence and its application to individual directors on a periodic basis;
- to establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees, and individual directors;
- to establish committees and approve their respective mandates and the limits of authority delegated to each committee;
- to establish limits of authority delegated to Officers; and
- to assess the integrity and professional conduct of the Officers and other members of senior management, to monitor their compliance with applicable law and the policies adopted by the Corporation and to evaluate their success in creating a corporate culture of integrity, professionalism, and compliance with legal and corporate standards.

**(f) public disclosure**

The Board has the responsibility:

- to supervise the Corporation's compliance with its public disclosure obligations;
- to verify that the Corporation has in place policies and programs that ensure that the Corporation communicates effectively and on a timely basis with Shareholders, employees, other stakeholders, and the public generally;
- to verify that management of the Corporation discharges its responsibilities in relation to the preparation and fair presentation of the Corporation's annual consolidated financial statements in accordance with International Financial Reporting Standards;
- to verify that the financial performance of the Corporation is adequately reported to Shareholders and regulators on a timely and regular basis;
- to verify the timely disclosure of any other developments that have, or could have, a material or significant impact on the business or affairs of the Corporation; and
- to report at least annually to the Shareholders of the Corporation on its stewardship of the business and affairs of the Corporation.

**(g) compliance monitoring**

The Board has the responsibility to:

- to monitor the Corporation's compliance with applicable law in the conduct of its business and affairs including compliance with each of its contractual obligations;
- to monitor the Corporation's compliance with its policies and procedures in the conduct of its business and affairs including compliance with policies and procedures concerning such matters as the health and safety of its employees, the protection of the environment and ethical business conduct;
- to verify that the Corporation maintains adequate internal controls and information systems for the purpose of ensuring that the Corporation satisfies all of its compliance obligations; and
- to take remedial action if the Corporation fails to satisfy any of its compliance obligations.

**(h) other responsibilities**

The Board has the responsibility to:

- to ensure that all new directors receive an orientation respecting the Corporation's business and affairs and receive continuing education opportunities to enhance their skills; and
- to take such other action that is consistent with this mandate, the Corporation's articles, bylaws and policies and applicable law as the Board considers necessary or appropriate acting reasons.

## **4. MEETINGS AND OPERATION**

The Chair or any two directors may call a meeting of the Board, at such time and at such place as they determine, by giving at least forty-eight hours' notice of such meeting to all directors.

The Board shall meet as often as it determines, but not less frequently than quarterly.

Independent directors shall meet regularly and as often as necessary to fulfil their responsibilities, without non-independent directors and management participation.

A quorum for meetings of the Board will be a majority of directors and the rules for calling, holding, conducting and adjourning meetings of the Board will be those prescribed by the articles and by-laws of the Corporation.

The affirmative vote of a majority of the directors participating in any meeting of the Board is necessary for the adoption of any resolution.

The Chair will preside at all meetings of the Board, unless the Chair is not present, in which case the directors that are present will designate from among such members the Chair for the purposes of the meeting.

Agendas, approved by the Chair, will be circulated to the directors along with background information on a timely basis prior to the Board meetings. Minutes of all meetings of the Board will be taken. The minutes of the Board will be recorded and maintained.

All directors are expected to allow sufficient time to review Meeting Materials and be prepared for Board meetings. Directors are expected to attend most, if not all, Board meetings.

A director or directors may participate in a meeting of the Board by means of such telephonic, electronic, or other communication facilities that permit all persons participating in the meeting to communicate adequately with each other and a director participating in such a meeting by any such means is deemed to be present at that meeting.

The CEO will attend meetings of the Board where matters relating to the functions as the Board are dealt with, unless otherwise excused from all or part of any such meeting by the Chair. The Board may invite such other Officers, directors, and employees of the Corporation as it sees fit from time to time to attend at meetings of the Board and assist in the discussion and consideration of the matters being considered by the Board.

Subject to the articles and by-laws of the Corporation and applicable law, the Board may delegate powers, duties, and responsibilities to committees of the Board and the Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board, determining directors' compensation and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities.

## **5. INDEPENDENT ADVISORS**

The Board has the authority to retain such independent advisors as it may consider necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.

## **6. RESPONSIBILITIES OF THE CHAIR**

The Chair of the Board is appointed at the pleasure of and reports to the Board. The responsibilities of the Chair include:

- working collaboratively with the CEO to coordinate the affairs of the Board and to ensure effective relations with Officers, Shareholders, other stakeholders and the public and
- ensuring that the Board is organized properly, functions effectively and meets its obligations; and
- responsibilities in all aspects of its work.

### **(a) relationship with the CEO**

The Chair will maintain unfettered bi-lateral communication with the CEO. The Chair's interaction with all other Officers is permitted as appropriate.

The Chair will work collaboratively with the CEO:

- to act as the principal sounding board, counsellor, and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships;

- to ensure the CEO is aware of concerns of the directors, other Officers, Shareholders, other stakeholders, and the public;
- to assess, in conjunction with the relevant committees, the performance of the CEO and provide input with respect to compensation and succession;
- to work closely with the CEO to ensure management strategies, plans and performance are appropriately presented to the Board; and
- at the request of the CEO, to provide assistance on major policy issues such as acquisitions, divestitures and new strategic initiatives.

#### **(b) relationship with the board**

The Chair will work collaboratively with the other members of the Board:

- to lead the Board in monitoring and evaluating the performance of the CEO, the accountability of the CEO and the implementation of management succession and development plans;
- to ensure the Board receives adequate and regular updates from the CEO on all issues important to the interests of the Corporation;
- to maintain a liaison and communication with all directors and committee Chairs to coordinate input from directors and optimize the effectiveness of the Board and its committees; and
- in collaboration with the CEO, to ensure data requested by directors or committees is provided in a timely manner and meets their needs.

#### **(c) board meetings**

The Chair has the responsibility:

- to chair meetings of the Board;
- to ensure the directors are alert to their obligations to the Corporation, Shareholders, management, other stakeholders and pursuant to law;
- to establish the frequency of meetings of the Board and review such frequency from time to time, as considered appropriate or as requested by the directors;
- to assist the appropriate committee in identifying a slate of directors to be nominated for election to the Board;
- to recommend board committees and their composition, review the need for and the performance and suitability of, those committees and make such adjustments as are deemed necessary from time to time, all in conjunction with the CEO and the relevant committees;
- to prepare the agenda and coordinate the distribution of the agenda, information packages and related materials for meetings of the Board in consultation with the CEO;
- to coordinate the review and assessment of individual attendance, performance and compensation of directors and the size and composition and overall performance of the Board, all in conjunction with the relevant committees of the Board;
- to endeavour to ensure that the Board's key discussions take place when as many of the directors as possible are present and that essential decisions are made when as many directors as possible are present (either in person or by telephone);
- to endeavour to ensure that Board meetings can be scheduled to deal with important business that arises outside of the regular periodic meetings;
- to endeavour to ensure that the Board is able to function independently of management;
- to consider and allow for, when appropriate a meeting of all independent directors, so that Board meetings can take place without management being present;
- to endeavour to ensure reasonable procedures are in place to allow for directors to engage outside advisors at the expense of the Corporation, in appropriate circumstances; and
- to apply the Rules of Order:
  - to ensure that the meeting is duly constituted;
  - to ensure the meeting provides for reasonable accommodation;



- to confirm the admissibility of all persons at the meeting;
- to preserve order and the control of the meeting; and
- to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

#### **(d) Shareholder meetings**

The Chair has the responsibility:

- to chair meetings of Shareholders;
- to ensure, in collaboration with the CEO and relevant committees, that the Corporation's management and, where applicable, the Board are appropriately represented at official functions and meetings with major Shareholder groups and other stakeholder groups;
- at the request of the CEO, to assist in representing the Corporation at specific Shareholder presentations, or with senior levels of industry or government to promote specific corporate objectives;
- at the request of the CEO, to undertake public service activities in conjunction with the Corporation's charitable, educational, and cultural objectives and
- to apply the Rules of Order:
  - to ensure that the meeting is duly constituted;
  - to ensure the meeting provides for reasonable accommodation;
  - to confirm the admissibility of all persons at the meeting;
  - to preserve order and the control of the meeting;
  - to appoint scrutineers if requested and instructing them in their duties;
  - to rule on the validity of proxies; and
  - to ascertain the sense of the meeting by a vote on all questions properly brought before the meeting.

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