

HILLCREST PETROLEUM LTD.
1300 – 1030 West Georgia Street
Vancouver, British Columbia Canada V6E 2Y3
Tel: 604 609-0006

INFORMATION CIRCULAR

as at November 9, 2020
(except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of HILLCREST PETROLEUM LTD. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on December 18, 2020 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “Hillcrest”, “we” and “our” refer to Hillcrest Petroleum Ltd. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial owners – those who object to their name being made known to the issuers of securities which they own (called "OBOS" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be**

completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.

Notice to United States Shareholders

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Information Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's shares by shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and may not be comparable to similar information for United States companies.

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for the Company Shareholders who are resident in, or citizens of, the United States may not be described fully in this Information Circular.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United States.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or to the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed November 9, 2020 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the TSX Venture Exchange under stock symbol "HRH". The Company also trades on the OTCQB based in the United States of America under the symbol "HLRTF".

The authorized capital of the Company consists of an unlimited number of Common Shares. As of November 9, 2020, there were 179,955,918 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The Company is also authorized to issue an unlimited number of voting Preferred shares without par value, each carrying the right to one vote. At the date of this Information Circular, there are no Preferred shares issued or outstanding.

There are special rights and restrictions attached to the Common Shares and Preferred Shares as set out in the Articles of the Company.

To the knowledge of the directors and executive officers of the Company, as at November 9, 2020, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company for the years ended December 31, 2019 and December 31, 2018, the report of the auditor thereon and the related management's discussion and analysis were filed on SEDAR at www.sedar.com on June 15, 2020 and will be tabled at the Meeting and will be available at the Meeting.

ELECTION OF DIRECTORS

The Board presently consists of five directors. The Board has determined the number of directors to be elected for the ensuing year at five. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCA"), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 9, 2020.

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled⁽¹⁾
MICHAEL KRZUS ⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾ Executive Chairman and Director British Columbia, Canada	CEO and other executive roles 2012/2013 Emerald Oil Inc (NYSE), CEO from 2009 to 2012 and director from 2009 to 2013, Emerald Oil and Gas NL, (Australian Stock Exchange), 22 years a managerial and executive positions, including 4 year secondment to Shell, developing onshore oil and gas fields in the Netherlands, Woodside Petroleum Ltd (Australian Stock Exchange).	Director Since November 26, 2013 Executive Chairman Since August 19, 2015	4,570,000 ⁽²⁾
DONALD J. CURRIE ⁽⁸⁾ Chief Executive Officer and Director British Columbia Canada	Consultant in the energy and resource sectors.	Director and Chief Executive Officer Since July 10, 2010	11,495,813 ⁽³⁾

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled ⁽¹⁾
THOMAS G. MILNE ⁽⁷⁾⁽⁸⁾ Director British Columbia Canada	Director, Oilsands Quest Inc. October, 2004 to January 2010; Senior financial and management executive with extensive international experience in energy E&P Pipelines, Oilsands and Communications Technology. Career roles include CFO, Treasurer, Investment Banker, Senior Partner (CA firm) and Foreign Exchange Trader.	Since November 1, 2012	476,666 ⁽⁴⁾
DAVID M.R. STONE Ph.D., MBA, P.Eng. ⁽⁷⁾⁽⁹⁾⁽¹⁰⁾ Director Washington, U.S.A.	President, Minefill Services, a mining engineering consulting company based in Bothell, Washington, since August 1999. Mr. Stone is a licensed professional engineer in numerous Canadian and United States jurisdictions.	Since July 18, 2007	1,090,000 ⁽⁵⁾
ROBERT LAMBERT ⁽⁸⁾⁽¹⁰⁾ Director United Kingdom	Deputy Chairman of Jadestone Energy Inc.; Founder of Ipex Energy Ltd.; Partner in Oilfield International LLP; CEO, Petra Petroleum Inc. from 2011 to 2015; Senior Independent Director of Eland Oil & Gas PLC, from 2012 to 2015 and CEO, GB Petroleum Ltd. From 2005 to 2010.	Since December 15, 2017	1,960,000 ⁽⁶⁾

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. Mr. Krzus holds a total of 1,300,000 stock options at an exercise price of \$0.05, expiring on July 8, 2025.
3. Mr. Currie holds a total of 1,126,000 common shares indirectly. Mr. Currie holds a total of 1,300,000 stock options at an exercise price of \$0.05, expiring on July 8, 2025.
4. Mr. Milne holds 93,333 common shares indirectly. Mr. Milne also holds a total of 1,050,000 stock options at an exercise price of \$0.05, expiring on July 8, 2025.
5. Mr. Stone holds 100,000 common shares indirectly. Mr. Stone also holds a total of 800,000 stock options at an exercise price of \$0.05, expiring on July 8, 2025, and 350,000 stock options at an exercise price of \$0.05, expiring on February 21, 2022.
6. Mr. Lambert holds a total of 800,000 stock options at an exercise price of \$0.05, expiring on July 8, 2025, and 300,000 stock options at an exercise price of \$0.05, expiring on May 1, 2022
7. Member of Audit Committee.
8. Member of Compensation and Corporate Governance Committee.
9. Member of Disclosure Committee.
10. Member of Reserves Committee.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see below). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

Cease Trade Order, Bankruptcies and Insolvency

Except as disclosed herein, no proposed director is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- b. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- c. is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- d. has, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Thomas G. Milne was a Director of Sefton Resources, Inc. (“Sefton”), a company listed on AIM (London Stock Exchange) when an Order was issued November 13, 2015. The United States Bankruptcy Court for the District of Colorado, The Honorable Michael E. Romero ordered that the Involuntary Bankruptcy Petition against Sefton be dismissed with prejudice. The Court also awarded Sefton its legal fees and costs to be paid by the Plaintiffs, as well as punitive damages. The Court, in awarding costs and damages, found that the Plaintiffs acted in bad faith.

Sefton now looks to have set aside the remaining lawsuit brought by the same plaintiffs, for the same amounts, in the US Federal Court and with the Bankruptcy petition dismissed, Sefton is now free, should it so wish, to dispose of its Kansas assets.

Sefton is now a private company. Mr. Milne did not stand for re-election to the board of directors at the annual general meeting of Sefton Resources Inc. held on December 15, 2015.

Advance Notice Provision

At the Company’s annual general and special meeting held on July 14, 2014, the shareholders of the Company approved the alteration of the Company’s Articles, to include advance notice provisions (the “**Advance Notice Provision**”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit

director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Company's Altered Articles, which is available under the Company's profile on SEDAR at www.sedar.com.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

On March 13, 2020, the Board determined not to nominate PricewaterhouseCoopers LLP, Chartered Professional Accountants, for appointment as auditor of the Company; and subject to shareholder approval at this Meeting, to appoint DeVisser Gray LLP, Chartered Professional Accountants, as the auditor of the Company. Accordingly the Company sent Notice of Change of Auditor to both PricewaterhouseCoopers LLP and to DeVisser Gray LLP. Copies of the Notice of Change of Auditor, the letter from PricewaterhouseCoopers LLP as former auditor, and the letter from DeVisser Gray LLP as successor auditor (collectively the "**Auditor Reporting Package**") which were filed under the Company's SEDAR profile at www.sedar.com on March 26, 2020. DeVisser Gray LLP, Chartered Professional Accountants, of 401-905 West Pender St., Vancouver, British Columbia Canada V6C 1L6, will be nominated at the Meeting for appointment as auditor of the Company. The Auditor Reporting Package is attached as Schedule "A" to this Information Circular.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of DeVisserGray LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The Company's Audit Committee is attached as Schedule "B" to this Information Circular.

Composition of the Audit Committee

The current members of the Audit Committee are Thomas G. Milne (Chair), David M.R. Stone and Michael Krzus. Thomas G. Milne and David M. R. Stone are independent. Michael Krzus (Executive Chairman) is not independent. All three members of the Audit Committee are considered to be financially literate.

Relevant Education and Experience

Thomas G. Milne, David M.R. Stone and Michael Krzus have many years of practical business experience, and have served for many years as directors of public companies, have experience reviewing financial statements of public companies and meet the criteria of "financially literate" as outlined in NI 52-110.

Thomas G. Milne

Thomas G. Milne is a senior financial and management executive with extensive international experience in energy E&P, pipelines, oilsands and communication technology. Career roles include: Chief Financial Officer, Treasurer, Investment Banker, Senior Partner (CA firm) and Foreign Exchange Trader. Mr. Milne has been a director of both public and private companies including Chairman of the audit committee for an AMEX-listed oilsands company. Mr. Milne is currently Chairman and director of Precise Details Inc (a family owned company) and also a director of Canshale Corp (a private company).

David M.R. Stone

David M.R. Stone, Ph.D, MBA, P.Eng. is a mining engineer whose career spans over 30 years of engineering and financial consulting to underground and surface mines worldwide. Mr. Stone has managed and led multi-disciplinary project teams through pre-feasibility and feasibility level evaluations of development stage projects, and has contributed to the engineering, design and construction of several mines. Mr. Stone’s expertise includes scoping and feasibility studies for open pit and underground projects, and an extensive international knowledge of current mining best practices, environmental permitting, mine planning and production scheduling, capital and operating costs, equipment selection, and financial analyses.

Mr. Stone is a registered licensed professional engineer in several U.S. and Canadian jurisdictions and holds a Bachelor of Applied Science from the University of British Columbia, a Ph.D. in Civil Engineering from Queens University, and an Executive Masters of Business Administration from Queens University.

Michael Krzus

Michael Krzus has extensive experience gained over 30 years in integrated onshore and offshore oil and gas developments in Australia, Canada, USA, Netherlands, deep water offshore oil developments and LNG projects in Australia. Mr. Krzus served as a director on industry advisory boards for the University of Western Australia School of Oil and Gas Engineering and Adelaide University’s Australian School of Petroleum and a number of petroleum related research organizations in Australia.

Mr. Krzus holds a Diploma in Oil and Gas Technology from the British Columbia Institute of Technology and a BSc. in Petroleum Engineering from Tulsa University.

Audit Committee Oversight

At December 31, 2019, the Audit Committee did not make any recommendations to the Board to nominate or compensate any auditor other than DeVisser Gray LLP.

Reliance on Certain Exemptions

At December 31, 2018 the Company’s auditor, DeVisser Gray LLP, did not provide any material non-audit services.

Pre-Approval Policies and Procedures

Refer to the Company’s Audit Committee Charter attached as Schedule “A” to this Information Circular, for specific policies for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by former auditor, PricewaterhouseCoopers LLP and successor auditor, DeVisserGray LLP to ensure auditor independence. Fees incurred with PricewaterhouseCoopers LLP, Chartered Professional Accountants and DeVisserGray LLP, Chartered Professional Accountants, for audit and non-audit services in the last two fiscal years ended December 31 for audit fees are outlined in the following table:

Nature of services	Fees paid to DeVisserGray LLP for year ended December 31, 2019.	Fees paid to PricewaterhouseCoopers LLP in year ended December 31, 2018.
Audit fees ⁽¹⁾	\$40,000	\$67,315
Audit-related fees ⁽²⁾	\$Nil	\$Nil
Tax fees ⁽³⁾	\$Nil	\$Nil
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$40,000	\$67,315

Notes:

(1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the

financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying on the exemption provided in section 6.1 of NI 52-110 *Audit Committees* as the Company is a "venture issuer" and is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

The Board facilitates its independent supervision over management by ensuring a majority of the Board are not officers of the Company. During the financial year ended December 31, 2019, the independent members of the Board were Thomas G. Milne, David Stone and Robert Lambert and the non-independent directors of the Board were Michael Krzus (Executive Chairman) and Donald J. Currie (Chief Executive Officer) of the Company.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgement.

Directorships

The directors who are currently serving on boards of other reporting companies (or equivalent) are set out below:

Name of Director	Name of reporting company and Exchange listed
Robert Lambert	Jadestone Energy Inc. (formerly Mitra Energy Inc.) London-AIM

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Company has not adopted a policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

Nomination of Directors

A Compensation and Corporate Governance Committee Charter was adopted by the Company on November 4, 2010. The current members of the Compensation and Corporate Governance Committee are Thomas G. Milne (Chair), Donald J. Currie and Robert Lambert.

In fulfilling its oversight responsibilities for the nominations to the Board, the Compensation and Corporate Governance Committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Compensation and Corporate Governance Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

Compensation

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for executive compensation and Board compensation, the Compensation and Corporate Governance Committee shall: 1) review and approve on an annual basis the corporate goals and objectives relevant to the CEO's compensation; 2) evaluate at least once a year the CEO's performance in light of established goals and objectives and, based on such evaluation, shall, together with all other independent members of the Board, determine and approve the CEO's annual compensation, including, as appropriate, salary, bonus, incentive, and equity compensation; 3) review and approve on an annual basis the evaluation process and compensation structure for the Company's executive officers, including parameters for salary adjustments (at the discretion of the CEO) for officers are established; and 4) review and make recommendations to the Board with respect to the adoption, amendment, and termination of the Company's management incentive-compensation and equity-compensation plans, oversee their administration and discharge any duties imposed on this Committee by any of those plans.

Disclosure Committee

The current members of the Disclosure Committee are Aaron Triplett, Chief Financial Officer (Chair) and Michael Krzus. The Disclosure Committee general mandate is to 1) educate directors and the appropriate officers and employees about disclosure issues, the Corporate Disclosure Policy and the Disclosure Controls and Procedures Policy of the Company, 2) recommend changes to those Policies to the Board as may be necessary or advisable, 3) establish and implement processes for the timely collection and reporting of potential material information, and the timely evaluation and dissemination of material information to securities regulators, stock exchanges and shareholders, 4) report on its evaluation of disclosure controls and procedures at least annually to the Audit Committee and the Board; and 5) disclose disclosure controls and procedures in the Company's annual management's discussion and analysis.

Reserves Committee

The current members of the Reserves Committee are Robert Lambert (Chair), Michael Krzus and David M. R. Stone. The Reserves Committee is responsible for reviewing and approving the annual independent evaluation of the Company's reserves. The Reserves Committee's general mandate is to oversee and monitor the Company's process for calculating the reserves and procedures for compliance with applicable legislation and conformity with industry standards and disclosure of information. It reviews, reports and, when appropriate, makes recommendations to the Board on the Company's policies and procedures related to the Company's reserves estimates.

Other Board Committees

The Board has formally appointed four standing committees: the Audit Committee, the Compensation and Corporate Governance Committee, the Disclosure Committee and the Reserves Committee.

Assessments

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for the performance review of the Board, committees, and directors, this Committee shall: 1) evaluate the performance of the Board on an annual basis; 2) solicit comments from all directors and report annually to the Board on its assessment of the Board's performance; and 3) evaluate the performance of individual directors and committees of the Board on a periodic basis.

Statement of Executive Compensation – Venture Issuers

For the purposes of this Executive Compensation disclosure:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“CEO”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

During financial year ended December 31, 2019, based on the definition above, the NEOs of the Company were: Michael Krzus, Executive Chairman and director, Donald J. Currie, CEO and director, Dale Miller Chief Operating Officer (“COO”), and Sean McGrath, CFO and Corporate Secretary. All directors remained the same from 2018.

Effective on January 1, 2020, Sean McGrath resigned as CFO and Corporate Secretary of the Company and effective on January 1, 2020, Aaron Triplett was appointed CFO and Corporate Secretary of the Company.

During financial year ended December 31, 2018, based on the definition above, the NEOs of the Company were: Michael Krzus, Executive Chairman and director, Donald J. Currie, CEO and director, Dale Miller Chief Operating Officer (“COO”), Jason Oden, former COO, and Sean McGrath, CFO and Corporate Secretary. The directors of the Company who were not NEOs during financial year ended December 31, 2018 were: David M.R. Stone, Thomas J. Milne and Robert Lambert. Jason Oden served as COO of the Company from June 20, 2015 to June 13, 2018. Dale Miller was appointed COO of the Company on June 13, 2018.

**Table of Compensation, Excluding Compensation Securities in Financial Years ended
December 31, 2019 and 2018**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the two completed financial years ended December 31, 2019 and December 31, 2018. Options and compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” in this Information Circular.

<u>Table of compensation excluding compensation securities</u>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Krzus ⁽¹⁾ Executive Chairman and Director	2019	78,980	Nil	Nil	Nil	Nil	78,980
	2018	120,000	Nil	Nil	Nil	Nil	120,000
Donald J. Currie ⁽¹⁾ CEO, Director and former Chairman	2019	112,357	Nil	Nil	Nil	Nil	112,357
	2018	145,000	Nil	Nil	Nil	Nil	145,000
Jason Oden ⁽²⁾ former COO	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Sean McGrath ⁽³⁾ CFO and former Corporate Secretary	2019	60,000	Nil	Nil	Nil	Nil	60,000
	2018	80,000	Nil	Nil	Nil	Nil	80,000
Dale Miller ⁽⁴⁾ COO	2019	18,065	Nil	Nil	Nil	18,065	18,065
	2018	20,850	Nil	Nil	Nil	19,700	40,550
David M.R. Stone ⁽⁵⁾ Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Thomas J. Milne ⁽⁶⁾ Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Robert Lambert ⁽⁷⁾ Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	15,700	15,700

Notes:

- (1) Mr. Currie resigned as Chairman of the Company on August 19, 2015. Mr. Krzus was appointed Executive Chairman of the Company on August 19, 2015. Mr. Currie was appointed CEO and a director of the Company on July 10, 2010.
- (2) Mr. Oden served as COO of the Company from January 20, 2015 to June 13, 2018.
- (3) Sean McGrath was appointed CFO of the Company on May 1, 2015. Mr. McGrath was appointed Corporate Secretary of the Company on August 13, 2015. Effective on January 1, 2020, Mr. McGrath resigned as CFO and Corporate Secretary of the Company.
- (4) Dale Miller was appointed COO of the Company on June 13, 2018.
- (5) David M.R. Stone was appointed a director of the Company on July 10, 2010.
- (6) Thomas J. Milne was appointed a director of the Company on November 1, 2012.
- (7) Robert Lambert was elected a director of the Company on December 15, 2017.

Oversight and Description of Director and Named Executive Officer Compensation

Elements of the Compensation Program

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary (“**Base Salary**”), an incentive compensation plan (“**Incentive Compensation**”) and equity compensation (the “**Equity Compensation**”) designed to be competitive with comparable employers. In considering executive management’s compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any

increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company's shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company's NEOs, including the CEO and the CFO is determined by the Company's Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation and Corporate Governance Committee delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

The Compensation and Corporate Governance Committee is responsible for executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation and Corporate Governance Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Compensation and Corporate Governance Committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

The current members of the Company's Compensation and Corporate Governance Committee Thomas J. Milne, Donald Currie and Robert Lambert.

Philosophy and Objectives

The Company is a junior exploration and production company with limited resources and sales that are greatly impacted by oil and gas commodity prices. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan (described below) and its RSU Plan (described below). Recommendations for senior management compensation are presented to the Board for review.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers were initially determined upon a review of companies within the oil producing industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the oil producing industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Financial Year ended December 31, 2019

During the financial year ended December 31, 2019:

- i) the Company owed a total of \$Nil (2018: \$133,102) to Donald Currie, the CEO of the Company, for consulting fees and reimbursable expenses and this amount was included in accounts payable and accrued liabilities on the Company's audited financial statements for the year ending December 31, 2019;

ii) the Company owed a total of \$51,805 (December 31, 2018 - \$45,055) in loan principal and interest to Michael Krzus, Executive Chairman of the Company pursuant to a December 27, 2018 loan agreement where the Company borrowed \$45,000 from the Executive Chairman. The loan bears interest at 15% and is repayable on demand;

iii) the Company owed a total of \$Nil (2018 -\$20,850) included in accounts payable and accrued liabilities owing to Dale Miller, COO of the Company, for consulting fees;

iv) the Company owed a total of \$72,685 (2018 - \$43,125) included in accounts payable and accrued liabilities owing to SCM Consulting Corp, a corporation controlled by Sean McGrath, CFO of the Company, for consulting fees;

v) during the year ended December 31, 2019, related parties forgave a net amount of \$235,850 (2018 - \$Nil) in unpaid management and consulting fees accrued in prior years.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan and its restricted share unit plan. Stock options and restricted share units ("RSUs") are granted to executives and employees taking into account a number of factors, including the amount and term of options and RSUs previously granted, base salary and bonuses and competitive factors. The amounts and terms of options and RSUs granted are determined by the Compensation and Corporate Governance Committee based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option and RSU grants to maintain executive motivation.

Compensation Review Process

Risks Associated with the Company's Compensation Program

The Company's directors have not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during financial years ending December 31, 2019 and December 31, 2018.

Benefits and Perquisites

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options and RSUs as otherwise disclosed and discussed herein.

Hedging by Directors or NEOs

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors or officers having entered into this type of transaction

As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's share option plan and restricted share unit awards under the Company's restricted share unit plan are the only equity security elements awarded by the Company to its executive officers and directors.

Stock Option Plan and Other Compensation Plans

A. 10% “rolling” Share Option Plan

Option-Based Awards

The Company has in place a 10% rolling share option plan dated for reference November 4, 2010, as amended May 10, 2012 and August 13, 2015 (the “**Option Plan**”). The Option Plan was implemented in order to provide the Company with the flexibility necessary to attract and maintain the services of senior executives and other employees in competition with other businesses in the industry, and in anticipation of the Company being listed on the TSX Venture Exchange (“**TSXV**”). The Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Compensation and Corporate Governance Committee proposes share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The Option Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

A number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the capital stock of the Company from time to time are reserved for the issuance of stock options pursuant to the Option Plan.

The Option Plan provides that the number of Common Shares issuable under the Option Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of the Company’s issued and outstanding Common Shares.

Material Terms to the Option Plan

The following is a summary of the material terms of the Option Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Option Plan;
- (b) options granted under the Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (d) an option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the option), after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee’s options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board at the time such option is allocated under the Option Plan, and cannot be less than the Discounted Market Price (as defined in the Option Plan);
- (h) vesting of options shall be at the discretion of the Board and, with respect to any particular options granted under the Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such options shall vest immediately. Where application, vesting of options will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or any of its affiliates during the vesting period;

- (i) the Option Plan contains a black-out provision restricting all or any of the Company's directors, officers, employees, insiders or persons in a special relationship to refrain from trading in the Company's securities until the restriction has been lifted by the Company;
- (j) the Board reserves the right in its absolute discretion to amend, modify or terminate the Option Plan with respect to all common shares in respect of options which have not yet been granted under the Option Plan. Any amendment to any provision of the Option Plan will be subject to any necessary Regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the Option Plan to Service Providers.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Option Plan may be made by the Board without further shareholder approval. Accordingly, the Option Plan also provides that the Board may, without shareholder approval:

- (i) amend the Option Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Option Plan, subject to prior written approval of the TSXV, if applicable;
- (iii) change the termination provision of an option granted under the Option Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by the TSXV Policies, if applicable;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market, make senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Option Plan to reduce, and do not increase, the benefits that may be granted to Service Providers.

On November 27, 2019, the Board approved amendments to its 10% "rolling" share option plan in order to comply with current policies of the TSX Venture Exchange ("TSXV") and other amendments of an administrative nature that do not affect the rights of the Company's securityholders. These amendments were conditionally approved by the TSXV, subject to shareholder approval.

The below described are the crossed out amendments that were made to the Company's 10% "rolling" share option plan:

Under Section 2.10 **Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective (see crossed out section below):

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares ~~in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;~~
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares ~~in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares;~~ or

Refer to heading below - "**PARTICULARS OF MATTERS TO BE ACTED UPON – A. Continuation of 10% "rolling" Share Option Plan, as Amended**".

A copy of the Option Plan dated for reference November 4, 2010, as amended May 10, 2012, August 13, 2015 and further amended and restated on November 27, 2020 is attached as Schedule "C" to this Information Circular. In addition, the Option Plan will also be available for review at the Meeting.

B. Fixed Restricted Share Unit Plan/New RSU Plan

Fixed Restricted Share Unit Plan

(Share-Based Awards)

The Company has in place a restricted share unit plan dated for reference August 13, 2015, as amended and restated on October 11, 2019 (the “**Fixed RSU Plan**”). The Compensation and Corporate Governance Committee (or such other committee the Board may appoint) is responsible for administering the RSU Plan.

The Fixed RSU Plan allows the Company to grant RSUs, under and subject to the terms and conditions of the Fixed RSU Plan, which may be exercised to purchase up to a maximum of 4,000,000 Shares. A copy of the Fixed Restricted Share Unit Plan is attached as Schedule “B” to the Company’s Information Circular dated November 5, 2019 to the Company’s December 9, 2019 annual general meeting.

Adoption of New RSU Plan (Share Based Awards)

On November 9, 2020, the Board deemed it to be in the Company’s best interests to terminate its Fixed RSU Plan and adopt a new fixed 10% “rolling” restricted share unit plan (the “**New RSU Plan**”). The New RSU Plan is subject to the approval of relevant disinterested shareholders at the Meeting and the TSX Venture Exchange.

Summary of the New RSU Plan

The New RSU Plan is a fixed plan which reserves for issuance a maximum of 17,995,592 common shares (10% of the issued and outstanding common shares of the Company at November 9, 2020 record date). The common shares reserved for issuance under the New RSU Plan will not be deducted from the number of common shares issuable under the Company’s Option Plan. However, the percentage limitations on insiders (as a group), on any one eligible persons and on consultants apply to the New RSU Plan and the Option Plan in aggregate. For insiders (as a group), subject to approval by disinterested shareholders of the Company or other requirements of applicable TSX Venture Exchange Policies, (i) the aggregate number of common shares reserved for issuance under the New RSU Plan, Option Plan and any other share based compensation arrangements for insiders (as a group) at any point in time may not exceed 10% of the issued and outstanding common shares from time to time, and (ii) the maximum number of RSUs and Options that may be granted to insiders (as a group) under the New RSU Plan, the Option Plan, together with any other share based compensation arrangements, within a 12-month period, may not exceed 10% of the issued and outstanding common shares calculated on the grant or award date. Subject to this 10% limitation, with the New RSU Plan and the Option Plan available, the Company will have the flexibility to grant and award insiders any combination of RSUs and options as appropriate and determined by the Company.

All Directors, Employees and Consultants (as defined in the New RSU Plan) of the Company and its related entities (“**Eligible Persons**”) are eligible to participate in the New RSU Plan (as “**Participants**”), though the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the New RSU Plan at any time. Eligibility to participate in the New RSU Plan does not confer upon any person a right to receive an award of RSUs. It shall be the responsibility of the Company and the Eligible Person to ensure that such Eligible Person is a bona fide Eligible Person.

Subject to certain restrictions, the Compensation and Corporate Governance Committee (the “Committee”) can, from time to time, award RSUs in its discretion to any Eligible Persons. RSUs will be credited to an account maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account in respect of a fiscal year shall be determined by dividing: (a) the dollar amount of the portion of the Participant's compensation which the Committee, in its sole discretion, determines to be paid as RSUs; by (b) the Fair Market Value (as defined in the New RSU Plan) per Common Share on the award date. Any fractional RSUs resulting from such calculations shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number.

The RSUs shall have a term, which shall be determined by the Committee on the date of award of the RSUs, which term shall not exceed ten years from the award date.

Each award of RSUs vests on the date(s) and/or the satisfaction of the Performance Criteria (each a “**Vesting Date**”) specified by the Committee on the award date, and reflected in the applicable Award Notice (as defined in the New RSU Plan).

Rights and obligations under the New RSU Plan can be assigned by the Company (without the consent of Participants) to a successor in the business of the Company, any corporation resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any corporation acquiring all or substantially all of the assets or business of the Company. All awards under the New RSU Plan will be evidenced by award notices in substantially the form attached to the New RSU Plan and will contain such other terms and conditions relating to an award of RSUs as the Committee may prescribe.

Credits for Dividends

A Participant's account will be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of additional RSUs to be credited to a Participant's account is computed by dividing: (a) the dividends that would have been paid to such Participant if each RSU in the Participant's account on the relevant dividend record date had been a Common Share, by (b) the Fair Market Value of the Common Shares determined as of the date of payment of such dividend. Any fractional RSUs resulting from such calculation shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number. Any additional RSUs credited to the Participant's account will vest in proportion to and will be paid under the New RSU Plan in the same manner as the RSUs to which they relate. The Company is not obligated to pay dividends on Common Shares.

Acquisition of Vested RSUs

A holder of vested RSUs may acquire Common Shares representing such RSUs by delivering a Notice of Acquisition (as defined in the New RSU Plan) to the Company and a certified cheque or bank draft payable to the Company for the Applicable Withholding Amounts (as defined in the New RSU Plan) on or before the Expiry Time (as defined in the New RSU Plan). Upon receipt of the Notice of Acquisition the Company shall issue, within ten days following the receipt of the Notice of Acquisition, and subject to such applicable residual withholding, if any, as the Company determines in its discretion should then be imposed to meet related withholding or remittance obligations under applicable law, one Common Share for each RSU in the Participant's Account which has been included in the Notice of Acquisition.

Resignation, Termination, Leave of Absence or Death

Generally, and subject to any express resolution passed by the Committee, if a Participant's employment or service is terminated, or if the Participant resigns from employment with the Company, then any RSUs credited to him or her under the New RSU Plan which have not vested on or before the Separation Date (as defined in the New RSU Plan) for the Participant are forfeited, cancelled and terminated without payment effective on the Separation Date. The Participant may, but only within the thirty (30) days following the Separation Date, deliver a completed Notice of Acquisition to the Company to acquire Common Shares for previously vested RSUs (if any). Any vested RSUs which the Participant has not delivered a completed Notice of Acquisition for shall be forfeited and cancelled effective at 5:00 p.m. (Vancouver time) on such 30th day.

In the event a Participant takes a leave of absence other than an Approved Leave of Absence (as defined in the New RSU Plan), all RSUs granted to the Participant that have not then vested will terminate and be null and void, subject to applicable law and the Board's sole and absolute discretion to determine otherwise.

Upon the death of a Participant, any RSUs granted to a Participant which, as of the date of the death have not yet vested, immediately vest. Any RSUs granted to the Participant under the Plan shall be forfeited and cancelled effective at 5:00 p.m. (Vancouver time) on the first year anniversary of the death of the Participant and shall terminate without payment and shall be of no further force or effect from and after such time.

Control Change

In the event of a Control Change (as defined in the New RSU Plan), the Committee may:

- (a) take such steps as the Committee considers desirable, taking into account any tax consequences to the extent considered relevant by the Committee, cause the conversion or exchange of any outstanding RSUs into or for rights or other securities of substantially equivalent value (or greater value) in any entity participating in or resulting from a Control Change;
- (b) accelerate the vesting of any or all outstanding RSUs to provide that such outstanding RSUs are fully vested upon (or immediately prior to) the completion of the transaction resulting in the Control Change; or

- (c) determine that a Participant who is no longer an Eligible Person as a result of or in anticipation of a Control Change shall continue to be a Participant and Eligible Person for purposes of the Plan, but subject to such terms and conditions, if any, established by the Committee in its sole discretion.

If, before the completion of the Vesting Date with respect to any award of RSUs, the Participant's service as a Director ceases or, as an Employee of the Company or of a Related Entity is terminated, where such cessation or termination occurs:

- (a) subsequent to a Control Change and during the Control Change Period (as defined in the New RSU Plan) and such termination was:
 - (i) for any reason whatsoever other than death or termination for Cause (as defined in the New RSU Plan); or
 - (ii) for Good Reason (as defined in the New RSU Plan) and the Participant gives notice to the Company to that effect and after thirty days the Company does not cure the act or omission which constitutes Good Reason; or
- (b) prior to the date on which a Control Change occurs and it is reasonably demonstrated that such termination:
 - (i) was at the request of a third party who has taken steps reasonably calculated to effect Control Change; or
 - (ii) arose in connection with or anticipation of a Control Change,

then the Award shall immediately vest on the Separation Date and the Payment Amount shall be equal to the number of Common Shares determined on the Separation Date multiplied by the number of RSUs in the Participant's Account, net of applicable withholding tax. Notwithstanding the foregoing, the Committee may, in its sole and absolute discretion, provide in the Award Notice evidencing the Award a provision to the effect that these provisions shall not apply in respect of that Award or shall apply on such modified basis as is expressly set forth in such Award Notice.

Adjustments

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to the Shareholders (other than the payment of dividends in respect of the Common Shares as contemplated in the New RSU Plan), the Committee may choose to adjust the Account of each Participant and the RSUs outstanding under the Plan in such manner, if any, as the Committee may in its discretion deem appropriate (taking into account any tax consequences to the extent considered relevant by the Committee) to preserve the account of each Participant and the RSUs outstanding under the New RSU Plan will be adjusted in such manner, if any, as the Committee deems appropriate to preserve, proportionally, the interests of Participants. For greater certainty and notwithstanding any other provision of this Plan, in no event shall a Participant be or become entitled to receive any amount of cash from the Company.

Discretion to Permit Vesting

The Committee can, in its sole discretion, subject to such terms and conditions (if any) established by the Committee in its sole discretion at any time, permit:

- (a) Persons previously entitled to participate in the Plan to continue to be a Participant for the purposes of the Plan;
- (b) the vesting or accelerated vesting of any or all RSUs held by a Participant; and
- (c) the payment of the Payment Amount in respect of such RSUs in the manner and on the terms authorized by the Committee.

Common Shares Reserved

Subject to adjustment as may be permitted under the New RSU Plan, the maximum number of Common Shares which may be reserved for issuance under the Plan at any time shall be 17,995,592 Common Shares.

Limitations under the New RSU Plan

Notwithstanding any other provision of this Plan, but subject to RSU grants approved by the disinterested shareholders of the Company or other requirements of applicable Exchange Policies:

- (a) the aggregate number of Common Shares reserved for issuance under the New RSU Plan, together with any other Security Based Compensation Arrangements (as defined in the New RSU Plan), for Insiders (as a group) at any point in time may not exceed 10% of the issued and outstanding Common Shares from time to time;

- (b) the maximum number of RSUs that may be granted to Insiders (as a group) under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 10% of the issued and outstanding Common Shares calculated on the Award Date;
- (c) the maximum number of RSUs that may be granted to any one Eligible Person (and companies wholly owned by that Eligible Person) under the New RSU Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 5% of the issued and outstanding Common Shares, calculated on the Award Date; and
- (d) the maximum number of RSUs that may be granted to any one Consultant under the New RSU Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 2% of the issued and outstanding Common Shares, calculated on the Award Date.

The New RSU Plan provides that the respective limits set out above may be exceeded:

- (a) if the Common Shares are listed for trading on the TSX Venture Exchange, on a case-by-case basis, upon the approval of disinterested shareholders of the Company; or
- (b) if the Common Shares are not listed for trading on the TSX Venture Exchange, in accordance with applicable Exchange Policies (as defined in the New RSU Plan).

Status of Terminated RSUs

For purposes of determining the number of Common Shares that remain available for issuance under the New RSU Plan, the number of Common Shares underlying any grants of RSUs that are surrendered, forfeited, waived and/or cancelled shall be added back to the Plan and again be available for future grant, whereas the number of Common Shares underlying any grants of RSUs that are issued upon exercise of RSUs shall not be available for future grant.

Amendment, Suspension, or Termination of Plan

Subject to applicable law, the Committee may from time to time amend or suspend the New RSU Plan in whole or in part and may at any time terminate the New RSU Plan without prior notice. However, any such amendment, suspension or termination shall not adversely affect the RSUs previously granted to a Participant at the time of such amendment, suspension or termination, without the consent of the affected Participant.

If the Committee suspends or terminates the New RSU Plan, no new RSUs will be credited to the account of a Participant; however, previously credited RSUs shall remain outstanding but shall not be entitled to dividend credits following suspension or termination unless at the time of suspension or termination the Committee determines that the entitlement to dividend credits during suspension or after termination, as applicable, should be continued.

The Committee shall not require the consent of any affected Participant in connection with a termination of the New RSU Plan in which the vesting of all RSUs held by the Participant are accelerated and the Payment Amount (less Applicable Withholding Amount) is paid to the Participant in respect of all such RSUs.

The Company will be required to obtain disinterested shareholder approval for any amendment related to (i) the number or percentage of issued and outstanding Common Shares available for grant under the New RSU Plan; (ii) a change in method of calculation of redemption of RSUs held by Eligible Persons; and (iii) an extension to the term for redemption of RSUs held by Eligible Persons.

A copy of the New RSU Plan is attached as Schedule “D” to this Information Circular. Refer to heading below - **“PARTICULARS OF MATTERS TO BE ACTED UPON – B. Adoption of New Restricted Share Unit Plan”**.

If shareholders fail to approve the New RSU Plan, the Company confirms that its current RSU plan will continue without interruption.

Stock Options and other Compensation Securities

The following table sets forth incentive stock options (option-based awards) pursuant to the Company's Option Plan that were outstanding to NEOs and directors of the Company as at December 31, 2019. There were no outstanding restricted share units awarded (share-based awards) pursuant to the Company's Fixed Restricted Share Unit Plan to NEOs and directors of the Company during financial years ended December 31, 2019 and December 31, 2018.

Compensation Securities								
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (dd/mm/yy)	Issue, conversion or exercise price (\$) ⁽¹⁾	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (dd/mm/yy)	Restricted Share Units
Donald J. Currie CEO and director	Options	450,000 0.5%	02/21/17	0.05	0.07	0.04	02/21/22	Nil Nil
Jason Oden former COO	Options	450,000 0.5%	02/21/17	0.05	0.07	0.04	02/21/22	Nil Nil
Michael Krzus Executive Chairman and director	Options	450,000 0.5%	02/21/17	0.05	0.07	0.04	02/21/22	Nil Nil
David M.R. Stone director	Options	350,000 0.4%	02/21/17	0.05	0.07	0.04	02/21/22	Nil Nil
Thomas J. Milne director	Options	350,000 0.4%	02/21/17	0.05	0.07	0.04	02/21/22	Nil
Robert Lambert director	Options	300,000 0.4%	05/22/18	0.05	0.06	0.04	05/01/22	Nil Nil
L. Edward Parker ⁽¹⁾ former director	Options	350,000 0.4%	02/21/17	0.05	0.07	0.04	02/21/22	Nil Nil
Dale Miller COO	Options	350,000 0.4%	06/13/18	0.05	0.065	0.04	06/13/22	Nil Nil
Sean McGrath CFO and Corporate Secretary	Options	350,000 0.4%	02/21/17	0.05	0.07	0.04	02/21/22	Nil Nil

Note:

- ⁽¹⁾ L. Edward Parker served as a director of the Company from August 27, 2015 to December 15, 2017. Mr. Parker has been retained as a Consultant to the Company.

Option Repricing

At the Company's December 9, 2019 annual general meeting, shareholders approved the repricing of a total of 2,600,000 outstanding Options to Insiders of the Company to an amended exercise price of \$0.05 per Share, and approval to the repricing of a total of 2,050,000 outstanding Options to Non-Insiders of the Company to an amended exercise price of \$0.05 per Share.

Exercise of Compensation Securities by NEOs and Directors

Financial Year Ended December 31, 2019

There were no Options exercised by NEOs or directors of the Company during the financial year ended December 31, 2019.

Financial Year Ended December 31, 2018

The following table sets forth incentive stock options (option-based awards) that were exercised during the year ended December 31, 2018 by NEOs and directors of the Company who were not NEOs during the year ended December 31, 2018:

Exercise of Compensation Securities by NEOS and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise M-D-Y	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total Value on exercise date (\$ M-D-Y)
Donald J. Currie CEO and director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Jason Oden former COO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Michael Krzus Executive Chairman and director	Options	Nil	N/A	N/A	N/A	N/A	N/A
David M.R. Stone director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Thomas J. Milne director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Robert Lambert director	Options	Nil	N/A	N/A	N/A	N/A	N/A
L. Edward Parker former director	Options	Nil	N/A	N/A	N/A	N/A	N/A
Dale Miller COO	Options	Nil	N/A	N/A	N/A	N/A	N/A
Sean McGrath CFO and Corporate Secretary	Options	Nil	N/A	N/A	N/A	N/A	N/A

Employment, Consulting and Management Agreements

The Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current directors or NEOs.

Pension Disclosure

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has two equity compensation plans approved by shareholders of the Company: i) a 10% "rolling" share option plan dated for reference November 4, 2010, as amended May 10, 2012, as amended August 13, 2015 and ii) a fixed restricted share unit plan dated August 13, 2015, as amended and restated on October 11, 2019, as described in this Information Circular.

Refer to heading below - **"PARTICULARS OF MATTERS TO BE ACTED UPON – A. Continuation of 10% "rolling" Share Option Plan, as Amended"**.

Refer to heading below - **"PARTICULARS OF MATTERS TO BE ACTED UPON – B. Adoption of New Restricted Share Unit Plan"**.

The following table sets out equity compensation plan information as at the end of the Company's financial year ended December 31, 2019.

	Number of securities to be issued upon exercise of outstanding options and RSUs	Weighted-average exercise price of outstanding options and RSUs	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – Share Option Plan and RSU Plan	4,650,000 Options Nil RSUs	\$0.06 Options Nil RSUs	7,717,930 Options 12,367,930 RSUs
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,650,000 Options Nil RSUs		7,717,930 Options 12,367,930 RSUs

Note: the Share Option Plan represents the limitation of 10% of the issued and outstanding Common Shares as at December 31, 2019, less issued options as listed in the second column of this table.

There were no restricted share units outstanding as at December 31, 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than set out below, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than set out in this Information Circular, no informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

Continuation of 10% “rolling” Share Option Plan, as Amended

A total of 10,950,000 stock options were outstanding at the date of this Information Circular.

The TSXV policy requires all of its listed companies to have a share option plan if the company intends to grant options. Under TSXV policy, the continuation of the Option Plan requires annual shareholder approval at each annual meeting of the Company. The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

A copy of the Option Plan, as amended is described above under heading **Stock Option Plan and Other Compensation Plans** in this Information Circular. The Option Plan, as amended, is attached as Schedule “C” to this Information Circular. In addition, the Option Plan, as amended, will also be available for review at the Meeting.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

“Resolved that the Company’s 10% rolling share option plan dated for reference November 4, 2010, as further amended and restated on November 27, 2019, be and is hereby ratified and approved until the next annual general meeting of the Company.”

An *ordinary resolution* is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

The Board of Directors recommends that the shareholders vote in favour of the ordinary resolution approving the continuation of the Company’s 10% “rolling” Share Option Plan, as Amended.

B. Adoption of New Restricted Share Unit Plan

There were no restricted share units outstanding at the date of this Information Circular.

At the Meeting, relevant disinterested shareholders will be asked to ratify, confirm and approve an ordinary resolution to the Company’s new fixed 10% “rolling” restricted share unit plan (the **“New RSU Plan”**) as described above under heading **Stock Option Plan and Other Compensation Plans** in this Information Circular.

Relevant disinterested shareholders, will be asked to consider and, if deemed appropriate, authorize, ratify and approve, subject to regulatory approval, the New RSU Plan (the **“New RSU Plan Resolution”**).

The resolution, the text of which is set out below, must be approved by not less than a majority of the votes cast in respect thereof by shareholders other than insiders of the Company and their associates eligible to receive restricted share units under the New RSU Plan (as defined in TSX Venture Exchange Policies, collectively, the **“Insiders”**), which, as at November 9, 2020 record date, total 19,592,479 Common Shares. All other Shareholders of the Company are entitled to vote on this resolution.

A copy of the New RSU Plan is attached as Schedule “D” to this Information Circular. In addition, the New RSU Plan will also be available for review at the Meeting.

New RSU Plan Resolution

BE IT RESOLVED with or without variation, that:

1. the Company’s new fixed 10% “rolling” restricted share unit plan, as described and included in the Information Circular (the **“New RSU Plan”**), pursuant to which the directors may, from time to time, authorize the issuance of up to 17,995,592 common shares of the Company to directors, officers, employees, and consultants of the Company in accordance with the New RSU Plan, be and is hereby authorized, ratified, confirmed and approved, subject to regulatory approval;
2. the board of directors be authorized on behalf of the Company to make any further amendments to the New RSU Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the New RSU Plan;
3. subject to the approval of the shareholders of the Company of the New RSU Plan, the Company’s fixed restricted share unit plan as amended and restated on October 11, 2011 as approved by shareholders at the Company’s at the Company’s December 9, 2019 Annual General Meeting, be and is hereby terminated, except with respect to any restricted share units currently outstanding thereunder, which will be to the extent allowable, deemed to have been granted under the New RSU Plan;
4. to the extent permitted by law, the Company be authorized to abandon all or any part of the New RSU Plan if the Board deems it appropriate and in the best interest of the Company to do so; and
5. any one or more of the directors or officers of the Company is authorized and directed, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the resolution.”

The Board of Directors recommends that the shareholders vote in favour of the ordinary resolution of disinterested shareholders to ratify and approve the adoption of the Company's New Restricted fixed 10% "rolling" restricted share unit plan.

ADDITIONAL INFORMATION

Additional information concerning the Company is available through the Internet on SEDAR which may be accessed under the Company's SEDAR profile at www.sedar.com, or may be obtained by a Shareholder upon request without charge from the Company; Vancouver office located at Suite 1300 - - 1030 West Georgia Street, Vancouver, British Columbia, Canada. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, November 18, 2020.

BY ORDER OF THE BOARD

"Donald J. Currie"

Donald J. Currie
Chief Executive Officer

This is Schedule "A" to the Information Circular of Hillcrest Petroleum Ltd.
AUDITOR REPORTING PACKAGE

Hillcrest Petroleum Ltd.
1300-1030 West Georgia Street,
Vancouver, BC V6E 2Y3
Tel: 604 609 0006

NOTICE OF CHANGE OF AUDITOR

To: Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission
PricewaterhouseCoopers LLP
De Visser Gray LLP

NOTICE IS HEREBY GIVEN that, on the advice of the audit committee of Hillcrest Petroleum Ltd. (the "Company"), the board of directors of the Company resolved on March 13, 2020 that:

- a) The ceasing of services provided by PricewaterhouseCoopers LLP ("PWC"), to be effective March 13, 2020, as auditors of the Company be accepted,
and
- b) De Visser Gray LLP ("DVG") be appointed as auditors of the Company to be effective March 13, 2020, to hold office until the next annual meeting at remuneration to be fixed by the directors.

In accordance with National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") we confirm that:

- a) PWC was asked to resign as auditor of the Company as part of a tender process initiated by the Company;
- b) PWC, have not expressed any reservation in its reports for the fiscal years prepared and filed, for the years ended December 31, 2018 and December 31, 2017, of the Company;
- c) the resignation of PWC and appointment of DVG, as auditors of the Company were both considered by the audit committee and approved by the board of directors of the Company;
- d) in the opinion of the Company, and the Board of Directors of the Company, there have been no Reportable Events" as defined in NI 51-102 in connection with the audits for the years ended December 31, 2018 and December 31, 2017, for the Company; and
- e) the notice, resignation, and letters of the auditors have been reviewed by the Audit Committee and the Board of Directors.

Dated March 13, 2020

Per: signed "Aaron Triplett "
Aaron Triplett, CFO



March 17, 2020

To:
Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission

We have read the statements made by Hillcrest Petroleum Ltd. in the attached copy of change of auditor notice dated March 13, 2020, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements in the change of auditor notice dated March 13, 2020.

Yours very truly,

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

*PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca*

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

March 26, 2020

British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC V7Y 1L2

-and to-

Alberta Securities Commission
Suite 600, 250 – 5th St. SW
Calgary, AB T2P 0R4

-and to-

TSX Venture Exchange Inc.
10th Floor, 300 – 5th Avenue S.W.
Calgary, AB T2P 3C4

Dear Sirs:

**Re: Hillcrest Petroleum Ltd. (the “Company”)
Notice Pursuant to National Instrument 51-102 – Change of Auditor**

As required by National Instrument 51-102, we confirm that we have reviewed the information contained in the notice of change of auditor (the “**Notice**”) issued on March 26, 2020 by the Company and, based on our knowledge of such information at this time, we agree with the information contained in the Notice.

We understand that a copy of the Notice and this letter will be filed on SEDAR.

Yours truly,



CHARTERED PROFESSIONAL ACCOUNTANTS

This is Schedule "B" to the Information Circular of
HILLCREST PETROLEUM LTD.
AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (d) review and approve the interim financial statements prior to their release to the public; and
- (e) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (f) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
- (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. **Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. **Guidance – Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 *Financial Reporting General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

- (c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 *Other Responsibilities*

- (a) review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.

**This is Schedule “C” to the Information Circular of Hillcrest Petroleum Ltd.
10% “Rolling” Share Option Plan**

HILLCREST PETROLEUM LTD.
(the “Company”)

SHARE OPTION PLAN

**Dated for Reference November 4, 2010, as amended May 10, 2012, August 13, 2015
and November 27, 2019**

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with TSX Venture Policies (or, if applicable, NEX Policies) and any inconsistencies between this Plan and TSX Venture Policies (or, if applicable, NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
 - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to materially affect control of the Company or its successor and, in the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Common Shares** means the common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or, NEX, as the case may be);

- (g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
- (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **Directors** means the directors of the Company as may be elected from time to time;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
- (i) an individual who is considered an employee under the *Income Tax Act* Canada (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exchange Hold Period** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (q) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (r) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (s) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;

- (t) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (u) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (v) **Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (w) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (x) **NEX Issuer** means a company listed on NEX;
- (y) **NEX Policies** means the rules and policies of NEX as amended from time to time;
- (z) **Officer** means a Board appointed officer of the Company;
- (aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (bb) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (dd) **Optionee** means the recipient of an Option hereunder;
- (ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (ff) **Participant** means a Service Provider that becomes an Optionee;
- (gg) **Person** includes a company, any unincorporated entity, or an individual;
- (hh) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (jj) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (kk) **Securities Act** means the Securities Act, R.S.B.C. 1996, c. 418, or any successor legislation;
- (ll) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (mm) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (nn) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (oo) **Take Over Bid** means a take over bid as defined in National Instrument 62-104 (Take-over Bids and Issuer Bids) or the analogous provisions of securities legislation applicable to the Company;
- (pp) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (qq) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies (and, if applicable, NEX Policies).

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers of the Company, or its affiliates, from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares, unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to all Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture (or NEX, as the case may be); and
- (c) the aggregate number of Options granted to any one Consultant in any 12 month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder, subject to prior written approval of the TSX Venture, if applicable;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) it may make such amendments as reduce, and do not increase, the benefits of this Plan to Service Providers.

Amendments Requiring Disinterested Shareholder Approval

2.10 The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other previous Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares; or,

- (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms and conditions hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, or the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, vesting of Options will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take-Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, notwithstanding §3.6 and §3.7 or any vesting requirements set out in the Option Commitment, be immediately exercised in whole or in part by the Optionee, subject to approval of the TSX Venture (or the NEX, as the case may be) for vesting requirements imposed by the TSX Venture Policies.

Acceleration of Vesting on Change of Control

3.9 In the event of a Change of Control occurring, Options granted and outstanding, which are subject to vesting provisions, shall be deemed to have immediately vested upon the occurrence of the Change of Control, excluding Options granted to a Person engaged in Investor Relations Activities.

Extension of Options Expiring During Blackout Period

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall, subject to approval of the TSX Venture (or the NEX, as the case may be), be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.10 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.11 Options may be exercised after the Service Provider has left his/her employ/office or has been advised by the Company that his/her services are no longer required or his/her service contract has expired, until the term applicable to such Options expires, except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option) after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.12 Subject to §3.11(a), all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.13;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof, including any additional requirements contemplated with respect to the payment of required withholding taxes on behalf of Optionees.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

(a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired, plus any required withholding tax amount subject to §4.3.

Tax Withholding and Procedures

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out in §4.2 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

Delivery of Optioned Shares and Hold Periods

4.4 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue to the Optionee the appropriate number of Optioned Shares. An Exchange Hold Period will be applied from the date of grant for all Options granted to:

- (a) Insiders of the Company; or
- (b) where Options are granted to any Service Provider, including Insiders, where the Exercise Price is at a discount to the Market Price.

4.5 Pursuant to TSX Venture Policies, where the Exchange Hold Period is applicable, the certificate representing the Optioned Shares or written notice in the case of uncertificated shares will include a legend stipulating that the Optioned Shares issued are subject to a four-month Exchange Hold Period commencing the date of the Option Commitment.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 The Plan will become effective from March 22, 2011, the date the Company's Common Shares were posted for trading on the TSX Venture, and will remain effective provided that the Plan, or any amended version thereof, receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to March 22, 2011.

Amendment of the Plan

5.5 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate the Plan with respect to all Common Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of the Plan will be subject to any necessary Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers.

SCHEDULE A
SHARE OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "Effective Date") HILLCREST PETROLEUM LTD. (the "Company") has granted to _____ (the "Optionee"), an Option to acquire _____ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the _____ day of _____, _____ (the "Expiry Date") at an Exercise Price of Cdn\$ _____ per share.

Optioned Shares are to vest immediately.

OR

Optioned Shares will vest *[INSERT VESTING SCHEDULE AND TERMS]*

The Option shall expire _____ days after the Optionee ceases to be employed by or provide services to the Company.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and form part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate, or written notice in the case of uncertificated shares, for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter and may bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows. *[Note: If a four month hold period is applicable, the following legend must be placed on the certificate or the written notice in the case of uncertificated shares.]*

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL 12:00 A.M. (MIDNIGHT) ON *[insert date 4 months from the date of grant]*".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Option Commitment.

HILLCREST PETROLEUM LTD.

Authorized Signatory

[insert name of optionee]

Signature of Optionee

**SCHEDULE B
TO STOCK OPTION PLAN**

Hillcrest Petroleum Ltd.
1300 – 1030 West Georgia Street
Vancouver, British Columbia Canada
V6E 2Y3

Re: Employee Stock Option Exercise

Attn: Stock Option Plan Administrator, Hillcrest Petroleum Ltd. (the “Company”)

This letter is to inform HILLCREST PETROLEUM LTD. that I, _____, wish to exercise _____ options, at _____ per share, on this _____ day of _____, 20_____.

Payment issued in favour of Hillcrest Petroleum Ltd. for the amount of \$ _____ will be forwarded, including withholding tax amounts.

Please register the share certificate in the name of:

Name of Optionee: _____

Address: _____

Please send share certificate to:

Name: _____

Address: _____

Sincerely,

Signature of Optionee

Date

SIN Number (for T4)

**This is Schedule “D” to the Information Circular of Hillcrest Petroleum Ltd.
Fixed 10% “rolling” Restricted Share Unit Plan**

HILLCREST PETROLEUM LTD.
RESTRICTED SHARE UNIT PLAN

November 9, 2020

ARTICLE 1
PURPOSE

Purpose

- 1.1 The purpose of this Restricted Share Unit Plan is to provide certain Directors, Employees and Consultants of the Company and its Related Entities with the opportunity to acquire Restricted Share Units of the Company in order to enable them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company's shareholders.

ARTICLE 2
INTERPRETATION

Definitions

- 2.1 For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:
- (a) **"Account"** means an account maintained for each Participant on the books of the Company that will be credited with RSUs in accordance with the terms of the Plan;
 - (b) **"Applicable Withholding Amounts"** is defined in Section 4.7(c);
 - (c) **"Approved Leave of Absence"** means a leave of absence from full time employment with the Company or affiliate thereof that is provided for in the policies, plans or regulations of the Company or its affiliates or that is approved by management of the Company, including, without limitation, maternity and parental leave in accordance with the Company's (or its affiliates') policies;
 - (d) **"Award"** means a grant of RSUs under the Plan;
 - (e) **"Award Date"** means a date on which RSUs are awarded to a Participant in accordance with Section 4.1;
 - (f) **"Award Notice"** means a notice substantially in the form of Schedule A and containing such other terms and conditions relating to an award of RSUs as the Committee may prescribe;
 - (g) **"Blackout Period"** means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of an RSU;
 - (h) **"Board"** means the board of directors of the Company;
 - (i) **"Business Day"** means any day other than a Saturday or Sunday on which the Exchange is open for trading;
 - (j) **"Cause"** means "Just Cause" as defined in the Participant's employment agreement with the Company or one of its Related Entities, or if such term is not defined or if the Participant has not entered into an employment agreement with the Company or one of its Related Entities, then as such term is defined by applicable law, and shall include, without limitation, the occurrence of one of the following events with respect to the Employee: (a) has materially breached any written agreement between the Participant and the Company; (b) is convicted of a criminal offence relating to duties of the Participant, including any for breach of trust or fraud; (c) has refused to comply with a lawful order or direction of the Company or the Board; (d) has engaged in negligence or incompetence in carrying out the duties and responsibilities of his or her position

in a diligent, professional and efficient manner; or (e) has been involved in any other act, omission, or misconduct which constitutes just cause at common law;

- (k) **“Committee”** means the Compensation and Corporate Governance Committee of the Board or such other committee of the Board as may be appointed by the Board to administer the Plan; provided, however, that if no Compensation and Corporate Governance Committee is in existence at any particular time and the Board has not appointed another committee of the Board to administer the Plan, all references in the Plan to “Committee” shall at such time be in reference to the Board;
- (l) **“Common Shares”** means the common shares in the capital of the Company as presently constituted or, in the event of an adjustment contemplated by Section 4.12, such other number or type of securities as the Committee may determine;
- (m) **“Company”** means Hillcrest Petroleum Ltd. and its successors and assigns;
- (n) **“Consultant”** means an individual or corporation, other than an officer or employee of the Company or a Related Entity, that is engaged to provide consulting, technical, management or other services to the Company or a Related Entity under a written consulting agreement;
- (o) **“Control Change”** means the occurrence of any of:
 - (i) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert (other than the Company or any of its affiliates or subsidiary) thereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of, or acquires the right to exercise control or direction over, securities of the Company representing 50% or more of the then issued and outstanding voting securities of the Company in any manner whatsoever, including, without limitation, as a result of a take-over bid, an issuance or exchange of securities, an amalgamation of the Company with any other person, an arrangement, a capital reorganization or any other business combination or reorganization;
 - (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company);
 - (iii) the occurrence of a transaction requiring approval of the Company’s security holders whereby the Company is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Company); or
 - (iv) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;
- (p) **“Control Change Period”** means the period commencing on the date of occurrence of a Control Change and ending twelve months after that date;
- (q) **“Director”** means a director of the Company;
- (r) **“Eligible Person”** means a Person entitled to participate in the Plan in accordance with Section 3.2;
- (s) **“Employee”** means an officer or employee of the Company or a Related Entity of the Company, or such Person as may be so designated by the Committee;
- (t) **“Exchange”** means the TSX Venture Exchange, the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed for trading, as applicable;
- (u) **“Exchange Policies”** means the policies, orders, by-laws or regulations of the Exchange;

- (v) “**Expiry Time**” means 5:00 p.m. (Vancouver time) on the last day of the RSU Term;
- (w) “**Fair Market Value**” means, at any date, the higher of: (f) the weighted average price per share at which the Common Shares have traded on the Exchange during the last five (5) trading days prior to that date and (g) the closing price of the Common Shares on the Exchange on the date prior to that date, or, if the Common Shares are not then listed and posted for trading on any stock exchange, then it shall be the fair market value per Common Share as determined by the Board in its sole discretion; and for such purposes, the weighted average price per share at which the Common Shares have traded on the Exchange shall be calculated by dividing (a) the aggregate sale price for all the Common Shares traded on the Exchange during the relevant five trading days by (b) the aggregate number of Common Shares traded on the Exchange during the relevant five trading days;
- (x) “**Good Reason**” means “Good Reason” as defined in the Participant’s employment agreement with the Company or one of its Related Entities, or if such term is not defined or if the Participant has not entered into an employment agreement with the Company or one of its Related Entities, then it means:
 - (i) without the express written consent of the Participant, the assignment to the Participant of any duties materially inconsistent with the Participant’s position, duties and responsibilities with the Company immediately prior to such assignment or any removal of the Participant from, or any failure to re-elect the Participant to, material positions, duties and responsibilities with the Company;
 - (ii) a material reduction in total compensation, including annual base salary, incentive compensation, benefits (including pension, life insurance, health and accident benefits) and perquisites the Participant was receiving immediately prior to insolvency or a Control Change; or
 - (iii) any reason which would be considered to amount to constructive dismissal by a Court of competent jurisdiction;
- (y) “**Insider**” means: (c) a Director or senior officer of the Company; (d) a Director or senior officer of a company that is an Insider or subsidiary of the Company; (e) a person that beneficially owns or controls, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company; and (f) the Company itself if it holds any of its own securities;
- (z) “**Investor Relations Activities**” has the meaning assigned by Policy 1.1 – *Interpretation* of the TSX Venture Exchange;
- (aa) “**Notice of Acquisition**” means a notice substantially in the form of Schedule B from a Participant to the Company giving notice of the exercise of an RSU previously granted to the Participant;
- (bb) “**Participant**” means an Eligible Person who has been awarded RSUs under the Plan or to whom RSUs have been transferred in accordance with the Plan;
- (cc) “**Payment Amount**” means the amount determined in accordance with Section 4.7(a);
- (dd) “**Performance Criteria**” means such corporate and/or personal performance criteria as may be determined by the Committee in respect of the grant and/or vesting of Restricted Share Units to any Participant, which criteria may be applied to either the Company and its Related Entities as a whole or a Related Entity individually or in any combination, and measured either in total, incrementally or cumulatively over a calendar year or such other performance period as may be specified by the Committee in its sole discretion, on an absolute basis or relative to a pre-established target, to previous years’ results or to a designated comparison group;

- (ee) **“Person”** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (ff) **“Plan”** means this Restricted Share Unit Plan as amended, restated, supplemented or otherwise modified from time to time;
- (gg) **“Related Entity”** means a Person that is controlled by the Company;
- (hh) **“Restricted RSUs”** has the meaning as set out in Section 4.7(e);
- (ii) **“Restricted Share Unit”** or **“RSU”** means a unit equivalent in value to a Common Share, credited by means of a bookkeeping entry on the books of the Company in accordance with Article 4;
- (jj) **“RSU Term”** means a term during which a Participant may acquire a Common Share for any vested RSUs granted pursuant to the Plan;
- (kk) **“Security Based Compensation Arrangements”** means an option to purchase Common Shares, or a plan in respect thereof, or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to Directors, Employees or Consultants of the Company or its Related Entities;
- (ll) **“Separation Date”** means the last date on which the Participant is actively with the Company without regard to any contractual or common law notice period that might apply to such termination or any period during which the Participant receives termination or severance pay; and for greater certainty, in the event that a Participant is on an Approved Leave of Absence, they shall not be deemed to have ceased to be actively at work or to have ceased to be a full time employee; and
- (mm) **“Vesting Date”** means the date determined in accordance with Section 4.2.

Certain Rules of Interpretation

- 2.2
- (a) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.
 - (b) As used herein, the terms **“Article”** and **“Section”** mean and refer to the specified Article or Section of this Plan.
 - (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
 - (d) Unless otherwise specified, all references to money amounts are to Canadian currency.
 - (e) A Person (First Person) is considered to “control” another Person (Second Person) if the First Person, directly or indirectly, has the power to direct the management and policies of the Second Person by virtue of:
 - (i) ownership of or direction over voting securities in the Second Person;
 - (ii) a written agreement or indenture;
 - (iii) being the general partner or controlling the general partner of the Second Person; or
 - (iv) being a trustee of the Second Person.

ARTICLE 3 ADMINISTRATION

Administration of the Plan

- 3.1 (a) Subject to subsections 3.1(b) and 3.1(c), this Plan will be administered by the Committee and the Committee has sole and complete authority, in its discretion, to:
- (i) interpret the Plan and prescribe, modify and rescind rules and regulations relating to the Plan;
 - (ii) exercise rights reserved to the Company under the Plan;
 - (iii) determine Performance Criteria (if any);
 - (iv) determine vesting schedules (if any);
 - (v) prescribe forms for notices to be prescribed by the Company under the Plan; and
 - (vi) make all other determinations and take all other actions as it considers necessary or advisable for the implementation and administration of the Plan.

The Committee's determinations and actions under this Plan are final, conclusive and binding on the Company, the Participants and all other Persons.

- (b) To the extent permitted by applicable law, the Committee may, from time to time, delegate to any specified officer of the Company all or any of the powers of the Committee under the Plan. In such event, the specified officer will exercise the powers delegated to it by the Committee in the manner and on the terms authorized by the Committee. Any decision made or action taken by the Committee or the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Company, any custodian appointed in respect of the Plan, the Participants and all other Persons.
- (c) Notwithstanding subsections 3.1(a) and 3.1(b), oversight and ultimate responsibility for the Plan resides with the Board. At any time and from time to time, the Board may, in its discretion, take any action or make any decision that is otherwise delegated to the Committee pursuant to Section 3.1(a).

Eligibility

- 3.2 All Directors, Employees and Consultants of the Company and its Related Entities are eligible to participate in the Plan, but actual participation of any Person is at the discretion of the Committee or the Board. The Company reserves the right to restrict eligibility or otherwise limit the number of Persons eligible for participation in the Plan at any time. Eligibility to participate in the Plan does not confer upon any Person a right to receive an award of RSUs pursuant to the Plan. It shall be the responsibility of the Company and the Eligible Person to ensure that such Eligible Person is a *bona fide* Eligible Person. Notwithstanding any other provision of this Plan, Consultants of the Company and its Related Entities who are retained to provide Investor Relations Activities are not eligible to participate in the Plan.

Consistency With Other Agreements

- 3.3 Notwithstanding the general terms and conditions of the Plan and any Award Notice, the terms and conditions of any Award of RSUs granted under this Plan shall, to the greatest extent possible, be made consistent with the terms and conditions of any written agreement between the Company and/or a Related Entity on the one hand and the Participant on the other hand, in so far as such agreement provides for the treatment of share incentives. In the event of any conflict between any written employment agreement and this Plan or any Award Notice, the written employment agreement shall govern.

Taxes

- 3.4 Each Participant shall be solely responsible for personal income tax payable (and any other tax, levy or charge of any description) with respect to participation in the Plan, including with respect to any payment

received by the Participant in respect of vested RSUs under the Plan, although the Company is authorized to deduct Applicable Withholding Amounts from such payments.

ARTICLE 4 AWARDS OF RESTRICTED SHARE UNITS

Awards of Restricted Share Units

4.1 Subject to the provisions of the Plan and such other terms and conditions as the Committee or the Board may prescribe, the Committee may, from time to time, award RSUs in its discretion to any Eligible Person. RSUs so awarded shall be credited to an Account maintained for each Participant on the books of the Company as of the Award Date. The number of RSUs to be credited to each Participant's Account in respect of a fiscal year shall be determined by dividing: (a) the dollar amount of the portion of the Participant's compensation which the Committee, in its sole discretion, determines to be paid as RSUs (including, for greater certainty, such portion of the Participant's compensation which the Participant has elected to be paid as RSUs in advance of an award in accordance with any rules as may be adopted and communicated by the Committee in this regard at its discretion, if the Committee in its discretion determines to do so), by (b) the Fair Market Value per Common Share on the Award Date. Any fractional RSUs resulting from such calculations shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number.

Vesting Period and RSU Term

4.2 Each Award will vest on the dates and/or the satisfaction of the Performance Criteria (each a "**Vesting Date**") specified by the Committee on the Award Date, and reflected in the Award Notice. The RSU Term shall be determined by the Committee on the Award Date, and reflected in the Award Notice and shall not exceed ten years from the Award Date. Each RSU outstanding and all rights thereunder shall expire at the Expiry Time, but shall be subject to earlier termination in accordance with Sections 4.8 and 4.10 of this Plan.

Award Notice

4.3 All Awards of RSUs under Section 4.1 of this Plan will be evidenced by Award Notices. Such Award Notices will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Committee may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Notice to each Participant.

Credits for Dividends

4.4 A Participant's Account shall be credited with additional RSUs as of each dividend payment date in respect of which cash dividends are paid on Common Shares. The number of additional RSUs to be credited to a Participant's Account shall be computed by dividing: (a) the dividends that would have been paid to such Participant if each RSU in the Participant's Account on the relevant dividend record date had been one Common Share, by (b) the Fair Market Value of the Common Shares determined as of the date of payment of such dividend. Any fractional RSUs resulting from such calculation shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number. Any such additional RSUs credited to the Participant's Account shall vest in proportion to and shall be paid under Section 4.6 in the same manner as the RSUs to which they relate. The foregoing does not obligate the Company to pay dividends on Common Shares and nothing in this Plan shall be interpreted as creating such an obligation.

Reporting of Restricted Share Units

4.5 Statements of the RSU Accounts will be provided to Participants on an annual basis or made available on an on-going basis by any Plan administrator.

Allotment of Common Shares for Issuance by the Company

4.6 The Company shall allot for issuance from treasury such number of Common Shares corresponding to the maximum number of Common Shares that may be deliverable to Participants under this Plan.

Acquisition of Vested RSUs

- 4.7 (a) A Participant or, if Section 4.10 applies, the Participant's estate, who wishes to acquire a Common Share for any vested RSUs may do so by delivering: (i) a completed Notice of Acquisition to the Company on or before the Expiry Time; and (ii) a certified cheque or bank draft payable to the Company for the Applicable Withholding Amounts (as defined herein) as may be required pursuant to Section 4.7(c), following which the Company shall issue, within ten days following receipt of the Notice of Acquisition, and subject to such applicable residual withholding, if any, as the Company determines in its discretion should then be imposed to meet related withholding or remittance obligations under applicable law, one Common Share for each RSU in the Participant's Account that the Participant has included on the Notice of Acquisition (the "**Payment Amount**"). The RSUs in respect of which Common Shares are issued shall be cancelled and no further issuances shall be made to the Participant under the Plan in relation to such RSUs.
- (b) The Company shall register and deliver certificates for such Common Shares to the Participant by first class insured mail, unless the Company shall have received alternative instructions from the Participant for the registration and/or delivery of the certificates.
- (c) When a Participant is otherwise entitled to receive the Payment Amount, the Company shall, as a condition of issuance of the Common Shares relating to such Payment Amount, have the right to require the Participant to remit to the Company such amount or amounts as the Company determines in its discretion should be so remitted in order to satisfy or allow the Company to satisfy any federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld and/or remitted with respect to the payment of the Payment Amount or any other taxable event arising as a result of the Plan (the "**Applicable Withholding Amounts**"). At the Company's discretion, the Company may also choose to require satisfaction of all or any part of the Applicable Withholding Amounts by:
- (i) the tendering by the Participant of a cash payment to the Company in an amount less than or equal to the Applicable Withholding Amount;
 - (ii) the withholding by the Company from the Common Shares otherwise payable to the Participant such number of Common Shares as it determines to be withheld (including any excess then determined by the Company in its discretion) and sold by the Company, as trustee, to satisfy the Applicable Withholding Amount (net of selling costs, which shall be paid by the Participant). The Participant consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that the Company does not accept responsibility for the price obtained on the sale of such Common Shares; and/or
 - (iii) the withholding by the Company from any cash payment otherwise due to the Participant (for any reason whatsoever) such amount of cash as is less than or equal to the amount of the Applicable Withholding Amount;
- provided, however, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is equal to or greater than the Applicable Withholding Amount.
- (d) Participants (and their beneficiaries or any other Persons claiming thereby) shall be responsible for all taxes with respect to participation in the Plan, any RSUs granted under the Plan, receipt of a Payment Amount or otherwise, arising in any way whatsoever. The Company and the Board make no guarantees or representations to any Person regarding the tax status of the Plan or RSUs, tax treatment of an RSU award or issuances of Common Shares made under the Plan, tax impact

of any decisions or determinations made by the Committee in the administration of the Plan, or otherwise, and none of the Company or any of its directors, officers, employees, representatives or counsel shall have any liability to a Participant with respect thereto.

- (e) If the Expiry Time for an RSU falls within any Blackout Period or within ten business days (being a day other than a Saturday, Sunday or other than a day when banks in Vancouver, British Columbia are not generally open for business) following the end of any Blackout Period (the “**Restricted RSUs**”), then the Expiry Time of such Restricted RSUs shall, without any further action, be extended to the date that is ten business days following the end of such Blackout Period notwithstanding any other term of the Plan.

Resignation or Termination

4.8 Notwithstanding Section 4.7, and subject to any express resolution passed by the Committee, if:

- (a) a Participant’s employment or service with the Company or the Related Entity is terminated, whether or not for Cause; or
- (b) a Participant resigns from employment or service with the Company or a Related Entity, then
- (c) any RSUs granted to the Participant under the Plan which have not yet vested or been deemed to be vested, on or before the Separation Date for the Participant are forfeited and cancelled effective on the Separation Date and shall terminate without payment and shall be of no further force or effect from and after the Separation Date; and
- (d) the Participant may, but only within the next 30 days following the Separation Date, deliver a completed Notice of Acquisition to the Company to acquire Common Shares for previously vested RSUs (if any) and following such 30 day period, any vested RSUs in respect of which the Participant has not delivered a completed Notice of Acquisition to the Company shall be forfeited and cancelled effective at 5:00 p.m. (Vancouver time) on such 30th day and shall terminate without payment and shall be of no further force or effect from and after such time.

Leave of Absence

4.9 In the event a Participant takes a leave of absence other than an Approved Leave of Absence, all RSUs granted to the Participant under the Plan that have not then vested shall terminate and be null and void, subject to the Board’s sole and absolute discretion to determine otherwise and applicable law.

Death of Participant

4.10 Notwithstanding Section 4.2, but subject to any express resolution passed by the Committee, upon the death of a Participant, any RSUs granted to the Participant under the Plan which, as of the date of the death of a Participant have not yet vested, shall immediately vest. Notwithstanding Section 4.2, upon the death of a Participant, any RSUs granted to the Participant under the Plan shall be forfeited and cancelled effective at 5:00 p.m. (Vancouver time) on the first year anniversary of the death of the Participant and shall terminated without payment and shall be of no further force or effect from and after such time.

Control Change

- 4.11 (a) In the circumstances where the Company has entered into an agreement relating to, or otherwise becomes aware of, a transaction which, if completed, would result in a Control Change, the Company shall give written notice of the proposed transaction to the Participants, together with a description of the effect of such Control Change on outstanding RSUs. Such notice shall be given not less than ten Business Days prior to the closing of the transaction resulting in the Control Change.
- (b) Notwithstanding anything else in this Plan or any Award Notice, the Committee may, in connection with a Control Change and at its sole option and without the consent of any Participant:

- (i) take such steps as the Committee considers desirable, taking into account any tax consequences to the extent considered relevant by the Committee, to cause the conversion or exchange of any outstanding RSUs into or for, rights or other securities of substantially equivalent value (or greater value), as determined by the Committee in its discretion, in any entity participating in or resulting from a Control Change;
 - (ii) accelerate the vesting of any or all outstanding RSUs to provide that, notwithstanding Section 4.2 or any Award Notice, such outstanding RSUs shall be fully vested upon (or immediately prior to) the completion of the transaction resulting in the Control Change; or
 - (iii) determine that a Participant who is no longer an Eligible Person as a result of or in anticipation of a Control Change shall continue to be a Participant and Eligible Person for purposes of the Plan, but subject to such terms and conditions, if any, established by the Committee in its sole discretion.
- (c) If, before the Vesting Date with respect to any RSUs granted to the Participant under the Plan, the Participant's service as a Director ceases or as an Employee of the Company or of a Related Entity is terminated by the Company or the Related Entity (or by the Participant as contemplated below in (i)B) in circumstances where such cessation or termination occurs:
- (i) subsequent to a Control Change and during the Control Change Period and such cessation or termination was:
 - A. for any reason whatsoever other than death or termination for Cause; or
 - B. for Good Reason and the Participant gives notice to the Company to that effect and after thirty days the Company does not cure the act or omission which constitutes Good Reason; or
 - (ii) prior to the date on which a Control Change occurs and it is reasonably demonstrated that such termination:
 - A. was at the request of a third party who has taken steps reasonably calculated to effect a Control Change; or
 - B. arose in connection with or anticipation of a Control Change,

then the Award shall immediately vest on the Separation Date and the Payment Amount shall be equal to the number of Common Shares determined on the Separation Date multiplied by the number of RSUs in the Participant's Account, net of applicable withholding tax. Notwithstanding the foregoing provisions of this Section 4.11, the Committee may, in its sole and absolute discretion, provide in the Award Notice evidencing the Award a provision to the effect that this Section 4.11 shall not apply in respect of that Award or shall apply on such modified basis as is expressly set forth in such Award Notice.

Adjustments to Restricted Share Units

4.12 In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to shareholders (other than the payment of dividends in respect of the Common Shares as contemplated by Section 4.4), the Committee may choose to adjust the Account of each Participant and the RSUs outstanding under the Plan in such manner, if any, as the Committee may in its discretion deem appropriate (taking into account any tax consequences to the extent considered relevant by the Committee) to preserve the Account of each Participant and the RSUs outstanding under the Plan shall be adjusted in such manner, if any, as the Committee may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the Plan. For greater certainty and

notwithstanding any other provision of this Plan, in no event shall a Participant be or become entitled to receive any amount of cash from the Company.

Discretion to Permit Vesting

- 4.13 Notwithstanding anything contained in this Article 4, the Committee may, in its sole discretion, subject to such terms and conditions (if any) established by the Committee in its sole discretion, at any time prior to or following the events contemplated therein, permit:
- (a) Persons previously entitled to participate in the Plan to continue to be a Participant for purposes of the Plan;
 - (b) the vesting or accelerated vesting of any or all RSUs held by a Participant; and
 - (c) the payment of the Payment Amount in respect of such RSUs in the manner and on the terms authorized by the Committee.

Common Shares Reserved

- 4.14 The maximum number of Common Shares which may be reserved for issuance under the Plan at any time shall be 17,995,592 Common Shares, subject to adjustment under Section 4.12.

Limits on Issuances

- 4.15 Notwithstanding any other provision of this Plan, but subject to RSU grants approved by the disinterested shareholders of the Company or other requirements of applicable Exchange Policies:
- (a) the aggregate number of Common Shares reserved for issuance under the Plan, together with any other Security Based Compensation Arrangements, for Insiders (as a group) at any point in time may not exceed 10% of the issued and outstanding Common Shares from time to time;
 - (b) the maximum number of RSUs that may be granted to Insiders (as a group) under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 10% of the issued and outstanding Common Shares, calculated on the Award Date;
 - (c) the maximum number of RSUs that may be granted to any one Eligible Person (and companies wholly owned by that Eligible Person) under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 5% of the issued and outstanding Common Shares, calculated on the Award Date; and
 - (d) the maximum number of RSUs that may be granted to any one Consultant under the Plan, together with any other Security Based Compensation Arrangements, within a 12 month period, may not exceed 2% of the issued and outstanding Common Shares, calculated on the Award Date.

The respective limits set out above may be exceeded: (a) if the Common Shares are listed for trading on the TSX Venture Exchange, on a case-by-case basis, upon the approval of the disinterested shareholders of the Company; or (b) if the Common Shares are not listed for trading on the TSX Venture Exchange, in accordance with the applicable Exchange Policies.

Status of Terminated RSUs

- 4.16 For purposes of determining the number of Common Shares that remain available for issuance under the Plan, the number of Common Shares underlying any grants of RSUs that are surrendered, forfeited, waived and/or cancelled shall be added back to the Plan and again be available for future grant, whereas the number of Common Shares underlying any grants of RSUs that are issued upon exercise of RSUs shall not be available for future grant.

ARTICLE 5 GENERAL

Amendment, Suspension or Termination of Plan

- 5.1 (a) The Committee may from time to time amend or suspend the Plan in whole or in part and may at any time terminate the Plan without prior notice. However, any such amendment, suspension or termination shall not adversely affect the RSUs previously granted to a Participant at the time of such amendment, suspension or termination, without the consent of the affected Participant.
- (b) If the Committee suspends or terminates the Plan, no new RSUs will be credited to the account of a Participant; however, previously credited RSUs shall remain outstanding but shall not be entitled to dividend credits following suspension or termination unless at the time of suspension or termination the Committee determines that the entitlement to dividend credits during suspension or after termination, as applicable, should be continued.
- (c) The Committee shall not require the consent of any affected Participant in connection with a termination of the Plan in which the vesting of all RSUs held by the Participant are accelerated and the Payment Amount (less Applicable Withholding Amount) is paid to the Participant in respect of all such RSUs.
- (d) The Company will be required to obtain the disinterested shareholder approval for any amendment of the Plan related to:
- (i) the number or percentage issued and outstanding Common Shares available for grant under the Plan;
 - (ii) a change in method of calculation of redemption of RSUs held by Eligible Persons; and
 - (ii) an extension to the term for redemption of RSUs held by Eligible Persons.
- (e) The Plan will terminate on the date upon which no further RSUs remain outstanding, provided that such termination is confirmed by a resolution of the Committee.

Compliance with Laws

- 5.2 The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If any provision of the Plan or any RSU contravenes any law or any policy, order, by-law or regulation of any regulatory body or an Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Participant's Entitlement

- 5.3 Except as otherwise provided in this Plan, RSUs previously granted under this Plan, whether or not then vested, are not affected by any change in the relationship between, or ownership of, the Company and a Related Entity. For greater certainty, all RSUs remain valid in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, a Related Entity ceases to be a Related Entity.

Reorganization of the Company

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

Costs of Administration

- 5.5 The Company will be responsible for all costs relating to the administration of the Plan except that the participant shall pay all brokerage fees related to their own brokerage account(s) to which Common Shares are delivered pursuant to Section 4.7.

Assignment

- 5.6 (a) An RSU is personal to the Participant and is non-assignable. No RSU granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Participant, whether voluntarily or by operation of law, otherwise than by testate succession or the laws of descent and distribution, and any attempt to do so will cause such RSU to be null and void. A vested RSU shall be redeemable only by the Participant and, upon the death of a Participant, the person to whom the rights shall have passed by testate succession or by the laws of descent and distribution may redeem any vested RSUs in accordance with the provisions of Article 4.
- (b) Rights and obligations under the Plan may be assigned by the Company (without the consent of Participants) to a successor in the business of the Company, any Company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any corporation acquiring all or substantially all of the assets or business of the Company.

No Shareholder Rights

- 5.7 Under no circumstances shall RSUs be considered Common Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares or other securities of the Company, nor shall any Participant be considered the owner of Common Shares by virtue of the Award of RSUs.

Participation is Voluntary; No Additional Rights

- 5.8 The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or service nor a commitment on the part of the Company to ensure the continued employment or service of such Participant. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation, whether upon termination of the Participant's employment or service or otherwise. The Company does not assume responsibility for the personal income tax liability or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

Market Fluctuations

- 5.9 No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. For greater certainty and notwithstanding any other provision of this Plan, a Participant will in no event be or become entitled to receive any amount of cash from the Company in respect of participation in this Plan. The Company makes no representations or warranties to Participants with respect to the Plan or the Common Shares whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to accept all risks associated with a decline in the market price of Common Shares.

Participant Information

- 5.10 Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer to the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to any custodian in respect of the Plan and any other third parties in connection with the administration of the Plan. Each

Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

Indemnification

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

Governing Law

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

SCHEDULE "A"
RESTRICTED SHARE UNIT PLAN
FORM OF AWARD NOTICE

To: **[Name]**
 [Position]

Hillcrest Petroleum Ltd. (the "**Company**") hereby grants the following to you in accordance with and subject to the terms, conditions and restrictions of this award notice together with the provisions of the Restricted Share Unit Plan of the Company (the "**Plan**") dated **[insert date]**:

<u>Date of Grant:</u>	<u>[insert date]</u>
<u>Number of RSUs Awarded:</u>	<u>[insert number]</u>
<u>RSU Term/Expiry Time:</u>	<u>[insert time, not exceeding 10 years from award date]</u>
<u>Performance Criteria (if any):</u>	<u>[insert criteria or reference any attached schedule]</u>

Subject to any acceleration in vesting as provided in the Plan and approved by the Board of Directors, the RSUs granted in this award vest as follows:

<u>% of RSUs Which Vest</u>	<u># of RSUs Which Vest</u>	<u>Vesting Date</u>
[insert]%	[insert]	[insert]
[insert]%	[insert]	[insert]
[insert]%	[insert]	[insert]

In order to receive Common Shares representing your Award, complete and deliver a Notice of Acquisition in accordance with the terms of the Plan prior to the Expiry Time or earlier, as required or permitted under the Plan, together with a certified cheque or bank draft payable to the Company for the Applicable Withholding Amount as determined by the Company.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Award Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

HILLCREST PETROLEUM LTD.

By: _____
 Authorized Signatory

SCHEDULE "B"
RESTRICTED SHARE UNIT PLAN
FORM OF NOTICE OF ACQUISITION

To: Hillcrest Petroleum Ltd. (the "Company")

From: _____

Please be advised that effective _____, I wish to exercise my Award to acquire _____ Common Shares of the Company in accordance with the terms of the Award Notice dated _____ and the Restricted Share Unit Plan of the Company (the "Plan"). Additionally, I enclose a certified cheque or bank draft in payment of \$_____ in respect of an amount equal to the Applicable Withholding Amount for such acquisition of Common Shares.

The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice of Acquisition and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.

Dated _____

Please issue _____ Common Shares registered as follows:

(No. of certificates) _____ (No. of Common Shares) _____

Name _____

Address _____

Cheque attached

(Signature)

(Date)