



AVILA ENERGY

**NOTICE OF ANNUAL GENERAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR DATED DECEMBER 13, 2022
WITH RESPECT TO THE ANNUAL GENERAL MEETING
OF SHAREHOLDERS TO BE HELD ON JANUARY 12, 2023**

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 12, 2023

TO: The Shareholders of Avila Energy Corporation

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of Avila Energy Corporation (the “**Corporation**”) will be held virtually on Thursday, January 12, 2023 at 11:00 a.m. (Mountain Standard/Daylight Time) via teleconference at +1 514 392 3291 or toll free at +1 866 392 3207; Meeting ID: 1090743#, for the following purposes:

1. To receive the audited financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditor on those statements;
2. To fix the number of directors for the ensuing year at six (6);
3. To elect directors for the ensuing year;
4. To appoint WDM Chartered Professional Accountants as auditor for the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor; and
5. To transact such other business as may properly come before the Meeting or any adjournments thereof.

The information circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice and the Circular is a Request for Financial Statements and form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only Shareholders of record at the close of business on December 7, 2022 will be entitled to receive notice of and vote at the Meeting.

Pursuant to the Corporation’s by-laws, any Shareholder may participate in a meeting of Shareholders by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A Shareholder participating in a meeting by means of telephone or other communication facilities is deemed to be present at the meeting.

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead.

If you are a *registered Shareholder* and are unable to attend the Meeting, please read the Circular and enclosed proxy (the “**Proxy**”) and then complete, sign, date and return the Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarial certified copy to the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Ave, 8th Floor Toronto, ON M5J 2Y1 or via fax at 1-866-249-7775 at least 48 hours (excluding Saturdays,

Sundays and holidays) before the time fixed for the Meeting or any adjournment. Failure to do so may result in your shares not being voted at the Meeting. As set out in the notes to the Proxy, the Proxy is solicited by management of the Corporation (“**Management**”), but you may amend it, if you so desire, by striking out the names listed on it and inserting in the space provided the name of the person you wish to have represent you at the Meeting.

If you are a *non-registered Shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered Shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting.**

DATED at Calgary, Alberta, this 13th day of December 2022.

AVILA ENERGY CORPORATION

“Leonard Van Betuw”

Chief Executive Officer, President and Director

INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is as of December 13, 2022.

This Circular is being mailed by the Management of the Corporation to everyone who was a Shareholder of record of the Corporation on December 7, 2022 which is the date that has been fixed by the directors of the Corporation as the record date to determine the Shareholders who are entitled to receive notice of the Meeting.

This Circular is provided in connection with the solicitation of proxies to be used at the Meeting of the Corporation to be held at the time and place and for the purposes set forth in the attached Notice of Meeting and at any adjournment thereof. The enclosed proxy is being solicited by the Management of the Corporation and the cost of this solicitation will be borne by the Corporation. The solicitation will be conducted primarily by mail but proxies may also be solicited personally by officers, employees or agents of the Corporation, but without additional compensation.

No person has been authorized to give any information or to make any representation in connection other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Corporation.

If you cannot attend the Meeting, complete and return the enclosed form of proxy in accordance with the instructions contained therein.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and the Corporation's Shareholders are urged to consult their own professional advisers in connection therewith.

Under the Corporation's Articles at least two or more shareholders who in the aggregate hold at least 5% of the issued and outstanding shares of the Corporation, being entitled to be voted at the Meeting, must attend the teleconference meeting or be represented by proxy before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Meeting will be rescheduled.

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PART 1 – VOTING

HOW A VOTE IS PASSED

All matters that will come to a vote at the Meeting, as described in the attached Notice of Meeting, are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favor, then the resolution is approved (an “**ordinary resolution**”), or, in the event of the special resolution, it must be approved by an affirmative vote of at least two-thirds (66 2/3%) of the votes cast at the Meeting in person or by proxy.

WHO CAN VOTE?

If you are a registered Shareholder of Avila Energy Corporation as at December 7, 2022, you are entitled to notice of and to attend at the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of said corporation may attend on its behalf, but documentation indicating the officer’s authority should be presented at the Meeting. If you are a registered Shareholder but do not wish to, or cannot, attend the Meeting you can appoint someone who will attend the Meeting and act as your proxy holder to vote in accordance with your instructions (see “**VOTING BY PROXY**” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “**BENEFICIAL SHAREHOLDERS**”, below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting, the Corporation invites you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not attend the Meeting, you can still make your votes count by voting over the internet or via the telephone (see proxy for instructions) or by appointing someone who will be there to act as your proxy holder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

WHAT IS A PROXY?

A form of proxy is a document that authorizes someone to attend the Meeting and cast your votes for you. A form of proxy is enclosed with this Circular. You should use it to appoint a proxy holder, although you can also use any other legal form of proxy.

In order to be valid, you must return the completed form of proxy to the Corporation’s transfer agent, Computershare, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment thereof.

APPOINTING A PROXYHOLDER

You can choose any individual to be your proxy holder. It is not necessary for the person whom you choose to be a Shareholder. To make such an appointment, simply fill in the person’s name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxy holder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy will be

deemed to be appointed to act as your proxy holder. Such persons are directors and/or officers of Avila Energy Corporation (the “**Management Proxy holders**”).

INSTRUCTING YOUR PROXY

You may indicate on your form of proxy how you wish your proxy holder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxy holder must vote your shares according to your instructions.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxy holder can vote your shares as he or she thinks fit.

At the time of printing this Circular, the Management of the Corporation is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

If you have appointed the Management Proxy holders as your proxy holder, they will, unless you give contrary instructions, vote your shares at the Meeting as follows:

- **FOR** the fixing of the number of directors at six (6);
- **FOR** the election of the proposed nominees as directors;
- **FOR** the appointment of WDM Chartered Professional Accountants as auditor for the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor; and
- **FOR** any other matters that come before the Meeting.

REVOKING YOUR PROXY IF YOU CHANGE YOUR MIND

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by:

- (a) attending the Meeting and voting by means of telephone or other communication facilities;
- (b) signing a proxy bearing a later date;
- (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to Avila Energy Corporation at Suite 201, 1439 17th Avenue SE, Calgary, Alberta, T2G 1J9; or
- (d) any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Mountain Standard/Daylight Time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person.

Only registered Shareholders may revoke a proxy. If your shares are not registered in your own name and you wish to change your vote, you must, at least 7 days before the Meeting, arrange for your nominee to revoke your proxy on your behalf (see below under “**Non-Registered Shareholders**”).

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Corporation's transfer agent not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) of the Meeting.

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 Corporation 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 Corporation. 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 Corporation 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**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile or voted via internet as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and NOBO owners of the securities of the Corporation. If you are a non-registered owner, and the Corporation or its agent has 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 on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) sending 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 Corporation. 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 Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent your common shares at the Meeting. You have the right to appoint a person (who need not be a beneficial Shareholder of the Corporation), 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 or to have an alternate representative duly appointed to attend and to vote your Common shares at the Meeting.

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PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

OUTSTANDING AVILATION ENERGY CORPORATION CAPITAL SHARES

The Corporation has only one class of shares entitled to be voted at the Meeting, namely, common shares. Each Shareholder is entitled to one vote per share registered in his or her name. According to the records of the Corporation's Transfer Agent as of **December 7, 2022** there were 89,209,897 common shares issued and outstanding.

PRINCIPAL HOLDERS OF SHARES

Leonard Van Betuw owns 16.02% of the shares for a number of 14,287,000 common shares.

PART 3 - THE BUSINESS OF THE MEETING

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Corporation's directors, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting relating to:

1. To receive the audited financial statements of the Corporation for the year ended December 31, 2021 and the report of the auditor on those statements;
2. To fix the number of directors for the ensuing year at six (6);
3. To elect directors for the ensuing year;
4. To appoint WDM Chartered Professional Accountants as the auditor for the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. To transact such other business as may properly come before the Meeting or any adjournments thereof.

1. FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2021 will be placed before you at the Meeting. A copy of these financial statements, together with the auditor's report thereon, and Management's Discussion and Analysis, were mailed to those Shareholders who returned the 'request for annual and interim financial statement return card', mailed to Shareholders in connection with the Corporation's annual general meeting and indicated to the Corporation that they wished to receive these documents. Shareholders can request a copy of our future financial statements and MD&A by completing our supplemental request card which accompanies the Notice of Meeting and this Circular. These financial statements and MD&A are also available for review on SEDAR.

2. FIXING THE NUMBER OF DIRECTORS

Management is seeking Shareholder approval of a resolution fixing the number of directors at six (6). The Corporation is required to have a minimum of three (3) directors and a maximum of fifteen (15) directors pursuant to its Articles.

The board of directors of the Corporation (the “**Board**”) and Management are recommending that the Shareholders vote FOR fixing the number of directors at six (6). In order to approve the number of directors, the following ordinary resolutions must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. The complete text of the resolutions which Management intends to place before the Meeting for approval, with or without modification, are as follows:

“IT IS HEREBY RESOLVED, THAT:

(1) the number of directors be fixed at six (6); and

(2) any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with fixing the number of directors and the foregoing resolution, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolution, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF FIXING THE NUMBER OF DIRECTORS AT SIX (6), UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS OWN SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

3. ELECTION OF DIRECTORS

Directors of the Corporation are elected for a term of one (1) year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he or she resigns or otherwise vacates office before that time. Under the Corporation’s Articles and pursuant to the *Business Corporations Act (Alberta)*, the number of directors cannot be fewer than three (3). Currently there are six (6) directors.

Management proposes to nominate the persons named under the heading “Nominees for Election” below for election as directors of the Corporation. This requires the approval of the Shareholders of the Corporation by an ordinary resolution, which approval will be sought at the Meeting.

Nominees for Election

The following information relating to the nominees for directors is based partly on the Corporation’s records and partly on information received by the Corporation from the nominees, it states the name of each person proposed to be nominated by management for election or re-election as a director and their respective principal occupations during the term that each were directors of the Corporation and their respective number of common

shares of the Corporation beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

While Management does not contemplate that the nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of nominees for any reason, the Management representative(s) designated in the Proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted FOR the nominees for election as directors or any substitute nominee thereof as may be determined by Management, if necessary.

Name and Place of Residence	Director Since⁽¹⁾	Principal Occupation⁽¹⁾	Common Shares Beneficially Owned Directly or Indirectly⁽²⁾
Leonard B. Van Betuw <i>President & CEO</i> Calgary, Alberta	July 18, 2021	Avila Exploration and Development Canada Ltd. (February 2017 – August 31, 2022) and Avex Energy Inc. (April 1 2021 – present)	14,287,000
Michel Lebeuf Jr. <i>Director & Corporate Secretary</i> Laval, Quebec	March 16, 2018	Partner at Dunton Rainville LLP (May 2016 – present)	112,500
Thomas Edwards Valentine⁽³⁾ <i>Director</i> Calgary, Alberta	April 8, 2019	Senior partner at Norton Rose Fulbright LLP (1982 – present)	NIL
Kyle Appleby <i>Director⁽³⁾</i> Toronto, Ontario	November 9, 2020	Chartered professional accountant of Ontario	NIL
Daniel Lucero <i>Director</i> Montelibano, Cordoba, Colombia	December 20, 2019	Geologist Avila Exploration and Development Canada Ltd. (Feb. 2017-present)	NIL
Jeffrey Decter <i>Director⁽³⁾</i> Calgary, Alberta	May 25, 2022	President of Integrity Financial Corp. (1998-present)	NIL

Notes:

- (1) The information as to principal occupation, business or employment of the nominees is not within the knowledge of the Management of the Corporation and has been furnished by the respective nominees.
- (2) Information as to ownership of common shares has been taken from the list of registered Shareholders maintained by the Transfer Agent.
- (3) Member of the Audit Committee.

Cease Trade Orders or Bankruptcies

Save and except as set out below, as of the date of this Circular, no director or officer of the Corporation is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
 - (c) 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.
- Leonard Van Betuw was President, Chief Executive Officer and director of Quattro Exploration and Production Ltd. (“**Quattro**”) from November 2011 until his resignation on March 23, 2017. Leonard Van Betuw acted as President and CEO of Quattro when on May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Quattro for having failed to file its comparative financial statement for its financial year ended December 31, 2014, and Management Discussion and Analysis for the period ended December 31, 2014. On June 4, 2015, the British Columbia Securities Commission has revoked the cease trade order. Moreover, the Alberta Securities Commission issued a management cease trade order against Quattro on May 3, 2016 for being unable to file its audited financial statements for the year ended December 31, 2015 and the management’s discussion and analysis before the April 29, 2016 filing deadline. On August 10, 2016, Quattro filed a Notice of Intention to Make a Proposal under the BIA. On September 8, 2016, upon the application of Quattro, the Court granted an Initial Order transferring Quattro’s restructuring proceedings originally commenced under the BIA to the Companies’ Creditors Arrangement Act. On February 2, 2017, the Court appointed Hardie & Kelly Inc. as receiver and manager.
 - Michel Lebeuf Jr. was named director of Bitumen Capital Inc. (TSXV-BTM.H) (“**Bitumen**”), a capital pool company listed on the NEX board of the TSX Venture Exchange during Bitumen’s annual general meeting in February 2017, in order to meet the requirements of the *Canada Business Corporation Act* of at least three directors on the board. On May 8, 2017, Bitumen, having not enough cash to pay the audit of its annual financial statements was unable to file in due time said annual audited financial statements and received a cease trade in the Provinces of Quebec and Ontario. Michel Lebeuf was a director of the company when the CTO was issued to the company.
 - Jeffrey Decter was a director of Quattro Exploration and Production Ltd. (“**Quattro**”) from November 2011 until his resignation on March 23, 2017. Jeffrey Decter was a director of Quattro when on May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Quattro for having failed to file its comparative financial statement for its financial year ended December 31, 2014, and

management Discussion and Analysis for the period ended December 31, 2014. On June 4, 2015, the British Columbia Securities Commission has revoked the cease trade order. Moreover, the Alberta Securities Commission issued a management cease trade order against Quattro on May 3, 2016 for being unable to file its audited financial statements for the year ended December 31, 2015 and the management's discussion and analysis before the April 29, 2016 filing deadline. On August 10, 2016, Quattro filed a Notice of Intention to Make a Proposal under the BIA. On September 8, 2016, upon the application of Quattro, the Court granted an Initial Order transferring Quattro's restructuring proceedings originally commenced under the BIA to the Companies' Creditors Arrangement Act. On February 2, 2017, the Court appointed Hardie & Kelly Inc. as receiver and manager.

Penalties or Sanctions

As of the date of this Circular, no director or officer of the Corporation is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

Save and except as set out below, to the Corporation's knowledge, no existing or proposed director, officer, promoter or other member of Management of the Corporation has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

- Michel Lebeuf Jr. filed a proposal with his creditors on February 3, 2017. The proposal was accepted by the Superior Court of Quebec on March 16, 2017. This proceeding was due to many contractual engagements taken by Mr. Lebeuf (namely for acting as personal guarantee) to various loans regarding his previous law firm Brière & Lebeuf Inc. Michel Lebeuf was discharged from this proposal on March 4, 2022.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Corporation's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of Management of the Corporation or of any proposed promoter, director, officer or other member of Management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

Background of Directors

Additional biographical information including the principal occupation of each of the nominees to the Board for the past five years preceding the date hereof is described below:

Leonard B. Van Betuw was awarded a BSc (Hon.) Degree in Geophysics in 1987 becoming recognized for his expertise in the area of design and delivery of services formed from a comprehensive suite of geophysical experiences he developed over 25 years as a manager, executive, and Geophysicist. Early in Mr. Van Betuw's career, he spent most of his time abroad for various companies from 1992 to 1998. This is where Mr. Van Betuw began forming of what will become his managerial skill sets. During these years, Mr. Van Betuw held various contract positions and consulting roles including Geophysicist for Can-Oxy in Yemen, Operations Supervision for Veritas Geophysical and Operations Manager in Canada and Venezuela with Western Atlas International. Between 1998 and 2006, Kinetex Inc. was formed as a private company where Mr. Van Betuw acted as President. In 2006, the company was acquired and went public as Kinetex Resources Corporation where Mr. Van Betuw became President until 2010. Mr. Van Betuw consulted as an advisor with Life Sciences Institute from 2006 until 2011 when the company changed its name to Quattro Exploration and Production Ltd. a TSX listed Junior Oil and Gas Company. In 2011, he was appointed President and CEO until 2017. In February, 2017, Leonard Van Betuw became President and CEO of Avila Exploration and Development Canada Ltd. which in 2020 continues to be operated by Leonard Van Betuw as its sole director and its major shareholder. Leonard Van Betuw is also the sole director and indirectly the majority shareholder of Avex Energy Inc. (formerly 611809 Alberta Inc.). Mr. Van Betuw will devote approximately 90% of his time to the Corporation.

Michel Lebeuf Jr. is a member in good standing of the Quebec Bar Association (Montreal Section) and a partner at Dunton Rainville LLP. Mr. Lebeuf has developed an expertise in securities law, particularly in the areas of natural resources, institutional and corporate financing, and public and private mergers and acquisitions. He has experience in corporate reorganizations, public and private transfers, and institutional funding. Mr. Lebeuf graduated from Université de Montréal where he obtained a degree in political sciences (internal relations) in 1992 and a civil law degree in 1997. Mr. Lebeuf also acts as director and officer for many listed issuers on the Canadian Securities Exchange and the TSX Venture Exchange. Michel Lebeuf is presently completing an MBA from Edinburgh Napier University in Edinburgh, Scotland.

Mr. Lebeuf is not a party to any employment, non-competition or confidentiality agreement with the Corporation. Mr. Lebeuf will devote approximately 20% of his time to the Corporation.

Thomas Edward Valentine has more than 30 years of experience in the oil and gas industry, both as a barrister and a solicitor. While in Qatar, Mr. Valentine was responsible for a number of international gas and LNG projects, including projects in the United Kingdom (Qatargas II), India (RasGas) and Spain (Endesa Generacion). He currently provides legal advice to various gas and LNG projects (both upstream and downstream) in Asia, Nigeria, South America, North America and the Middle East. Mr. Valentine graduated from the University of British Columbia with a Bachelor of Arts in 1983. He also completed a Bachelor of Laws from Dalhousie University in 1986 and obtained a Master of Laws from London School of Economics in 1989.

Mr. Valentine is not a party to any employment, non-competition or confidentiality agreement with the Corporation. Mr. Valentine will devote approximately 10% of his time to the Corporation.

Kyle Appleby possesses over 20 years of accounting and financial consulting experience, acting as CFO to public and private companies in a broad range of industries (including several mining companies with operations in North America and Africa). He is a member in good standing of the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Ontario. Mr. Appleby graduated from York University with a Bachelor of Arts in Economics on 1996 and obtained his accounting designation in 2001.

Mr. Appleby is not a party to any employment, non-competition or confidentiality agreement with the Corporation. Mr. Appleby will devote approximately 25% of his time to the Corporation.

Daniel Lucero has acquired more than 15 years of experience in resource exploration in Latin America and the Western Canadian Sedimentary Basin. Mr. Lucero previously held positions at numerous oil, gas and mineral companies and have previously worked as an Exploration Manager at Quattro Exploration and Production Ltd. for 6 years, Chief Geoscientist at Kinetex Geosciences, and as Exploration Geologist at CoalCorpMining and Andicoal. Currently, Mr. Lucero is the Exploration Manager for Avila Energy Corporation. Mr. Lucero graduated from the National University of Colombia (Bogota- Colombia) with a BSc in Geology on 2004.

Mr. Lucero is not a party to any employment, non-competition or confidentiality agreement with the Corporation. Mr. Lucero will devote approximately 25% of his time to the Corporation.

Jeffrey Decter is the president of Integrity Financial Corp. focused on financing since 1998 with over 35 years experience including sales , management and financing. Prior to 1998, Mr. Decter was constantly in the top 3 in sales at a national communications company that had offices in Montreal, Toronto, Calgary, and Vancouver, developing a number of marketing strategies. His experience and network of individuals and organizations provides Avila a broader foundation for independent advice prior to making measured decisions and aggressive executions of its business and/or marketing plans.

Mr. Decter is not a party to any employment, non-competition or confidentiality agreement with the Corporation. Mr. Decter will devote approximately 10% of his time to the Corporation.

THE ENCLOSED FORM OF PROXY PERMITS SHAREHOLDERS TO VOTE FOR EACH NOMINEE ON AN INDIVIDUAL BASIS. COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

4. APPOINTMENT OF THE AUDITOR

The directors of the Corporation propose to nominate WDM Chartered Professional Accountants (“WDM”), of 1501 West Broadway Street, Suite 420, Vancouver, BC V6J 4Z6, for appointment as the auditor of the Corporation to hold office until the next annual meeting of Shareholders. The Board reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to the Corporation.

The Board approved the appointment of WDM as auditor effective October 6, 2021. MNP LLP, Chartered Professional Accountants (“MNP”), the predecessor auditor, has notified the Corporation that, at the request of the Corporation, it has resigned as auditor of the Corporation effective October 6, 2021. Additional documents related to the change in auditor, being the Notice of Change of Auditor and the acknowledgements of that notice by WDM and MNP, are set out in Schedule “A” to this Circular. There were no “reportable events” within the meaning of National Instrument 51-102 – Continuous Disclosure Obligations.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF WDM, AS AUDITOR OF THE CORPORATION AND THE AUTHORIZING OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS OWN SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

PART 4 – EXECUTIVE AND DIRECTOR COMPENSATION

Definitions: For the purpose of this statement:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities.

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

“**external management company**” includes a subsidiary, affiliate or associate of the external management company.

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”);
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“**CFO**”);
- (c) in respect of the Corporation 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, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and

- (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 Corporation, and was not acting in a similar capacity, at the end of that financial year.

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons.

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer compensation, excluding compensation securities

The following table provides a summary of compensation paid, directly or indirectly, for each of the three most recently completed financial years, to the directors and NEOs of the Corporation, other than compensation securities:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (1) (\$)	Value of all other compensation (\$)	Total compensation (\$)
Leonard Van Betuw ⁽¹⁾ President, Chief Executive Officer, and Director - NEO	2021	\$1	Nil	Nil	Nil	Nil	\$1
Peter Nesveda ⁽²⁾ VP – Investor Relations and Corporate Affairs - NEO	2021 2020	\$72,000 \$6,000	Nil Nil	Nil Nil	Nil Nil	Nil \$150,000	\$72,000 \$156,000
Lars Glimhagen ⁽³⁾ CFO - NEO	2021 2020	\$54,900 \$54,900	Nil Nil	Nil Nil	Nil Nil	Nil Nil	\$54,900 \$54,900
Robert Rosner ⁽⁴⁾ Director	2020	\$6,525	Nil	Nil	Nil	Nil	\$6,525
Michel Lebeuf ⁽⁵⁾ Director and Corporate Secretary	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Daniel Lucero ⁽⁶⁾ Director	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Kyle Appleby ⁽⁷⁾ Director	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Thomas Valentine ⁽⁸⁾ Director	2021 2020	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

- (1) Mr. Van Betuw was named President and Chief Executive Officer on July 14, 2021.
- (2) Mr. Nesveda was named Vice-President of Investor Relations and Corporate Affairs on June 1, 2020.
- (3) Mr. Glimhagen was named CFO on March 16, 2018.
- (4) Mr. Rosner resigned as a director on August 20, 2020.
- (5) Mr. Lebeuf was named as a director of the Corporation on March 16, 2018.
- (6) Mr. Lucero was named as a director of the Corporation on December 12, 2020.
- (7) Mr. Appleby was named as a director on November 9, 2020.
- (8) Mr. Valentine was named as a director on April 8, 2019.

External Management Companies

As of the date of this Circular, there are no contracts with external management companies in effect.

Stock Options and Other Compensation Securities

There were no compensation securities granted or issued to, or held by, any Named Executive Officer or director of the Corporation during the most recently completed financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries and no compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Corporation's most recently completed financial year. No compensation securities were exercised by any Named Executive Officer or director of the Corporation during the most recently completed financial year ended December 31, 2021.

Stock Option Plans and Other Incentive Plans

A stock option plan was approved by the Corporation's Board effective as of February 5, 2020 and approved by the Corporation's Shareholders on October 15, 2021 (the "**Stock Option Plan**"). The principal purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, employees and consultants of the Corporation and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire common shares in the share capital of the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

Number of Shares Reserved. The number of common shares which may be issued pursuant to options granted under the Stock Option Plan (including all options granted by the Corporation prior to the adoption of the Stock Option Plan) shall equal 10% of the issued and outstanding shares of the Corporation from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Stock Option Plan is fixed by the Board and may not exceed ten years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the Stock Option Plan is determined by the Board of Directors, provided that it is not less than the price permitted by the TSX Venture Exchange (“TSXV”) or the Canadian Securities Exchange (the “CSE”) at the time of the grant or, if the shares are no longer listed on the TSX Venture or on the CSE, then such other exchange or quotation system on which the shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under TSXV requirements. If an option is cancelled prior to the expiry date, the Corporation shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the Board of the Corporation or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with TSXV and CSE requirements.

Termination. Any options granted pursuant to the Stock Option Plan will terminate on (i) the earliest of the expiration date (ii) the end of the period of time permitted for exercise of the Option (not to be in excess of six months), to be determined by the Board at the time of the grant after the Optionee ceased to be eligible for options for any reasons other than death, disability or cause (iii) the 30th day after the Optionee who is engaged in Investor Relations for the Corporation ceases to be so employed (iv) the date on which the Optionee ceased to be eligible for options by reason or termination of the Optionee as an employee, consultant or independent contractor of the Corporation (v) the first anniversary of the date on with the Optionee ceased to be eligible for options on account of disability (vi) the first anniversary of the date of death of the Optionee.

Administration. The Stock Option Plan is administered by the Board of the Corporation or senior officer or employee to which such authority is delegated by the Board from time to time.

Board Discretion. The Stock Option Plan provides that, generally, the number of shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the Board of the Corporation or senior officer or employee to which such authority is delegated by the Board from time to time and in accordance with CSE requirements.

The foregoing summary of the Stock Option Plan is not complete and is qualified in its entirety by reference to the Stock Option Plan, which is available under the Corporation’s SEDAR profile at www.sedar.com as a “Other material contracts” on November 15, 2021.

Employment, Consulting and Management Agreements.

As of the date of this Circular, the Corporation has entered into a consulting with Intuitive Pty. and LNG Management Services Ltd. for consulting service agreements with Named Executive Officers, namely Peter Nesveda and Lars Glimhagen.

Termination and Change of Control Benefits

As of the date of this Circular, there is no compensatory plan, contract or arrangement whereby a Named Executive Officer or director is entitled to receive any severance or termination payment from the Corporation or its subsidiaries, including periodic payments or installments, in the event of the termination or constructive dismissal of the officer's or director's employment or engagement with the Corporation or its subsidiaries or following a change of control of the Corporation.

Oversight and Description of Director and Named Executive Officer Compensation

Director Compensation

At present, the Corporation has no arrangement in place pursuant to which directors are compensated by the Corporation for their services in their capacity as directors but are entitled to be reimbursed for actual expenses reasonably incurred by them in the performance of their duties as directors.

Named Executive Officer Compensation

As of the date of this Circular, the Board as a whole is responsible for setting and administering the compensation paid to the Named Executive Officers and reviewing the Corporation's compensation policies, compensation matrix and guidelines generally from time to time.

While the Corporation has not yet adopted a formal compensation program, the Board believes it is critical to create and maintain a compensation program that will attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives, motivate their performance to achieve the Corporation's strategic objectives and align the interests of executive officers with the long-term interests of the Corporation's Shareholders and enhancement in share value.

Currently, the Corporation compensates its Named Executive Officers through a combination of (i) base salary; and (ii) discretionary cash bonuses based on performance. At present, the Corporation does not have a long-term incentive compensation program.

Base Salary

Base salaries are designed to compensate each Named Executive Officer's core competencies, skills, experience, and contribution to the Corporation. To date, the Corporation has deliberately kept base salaries below market rates due to the Corporation's present stage of operations.

Going forward, the Board intends to review and select a compensation peer group of companies operating in areas with an operational and risk profile similar to the area in which the Corporation operates. Base salaries will be compared to the Corporation industry peer group through publicly available information and available compensation surveys prepared by compensation consultants. Consideration has been and will be given to the Corporation's growth plans, area of operations and its objective of attracting and retaining highly talented individuals from within the industry.

Cash Bonus

Discretionary cash bonuses will be intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period. Given the relatively early stage of development of the Corporation and its lack of sustained cash flow, no cash bonus payments were paid in 2021 or as of the date of this Circular. At this point, it is contemplated that cash bonuses will only be paid to the executive officers of the Corporation if the Corporation achieves a positive cash flow position. Similar to the determination of base salaries, consideration will be given to the Corporation compensation peer group when determining the final amount of any cash bonuses to be paid.

Other than as described above there are no other perquisites provided to the Named Executive Officers.

Pension Disclosure

The Corporation does not have any pension, retirement or deferred compensation plans, including defined contribution plans in place for its Named Executive Officers or directors.

PART 5 – AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Circular certain information concerning the constitution of its audit committee and its relationship with the Corporation’s external auditor as set forth below.

Audit Committee’s Charter

The Board has adopted a charter (the “**Charter**”) for its audit committee (the “**Audit Committee**”) which establishes the Audit Committee’s mandate, organization, responsibilities and duties. The complete Charter is attached as Schedule “B” to this Circular.

Composition of the Audit Committee

The Audit Committee will be comprised of three directors, Kyle Appleby, Thomas Valentine, and Jeffrey Decter. Mr. Appleby, Mr. Valentine and Mr. Decter are considered “independent” as that term is defined in applicable securities legislation.

All three Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements and are therefore considered “financially literate”.

Audit Committee Oversight

Since the commencement of the Corporation’s most recently completed financial year, the Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than WDM and MNP.

Relevant Education and Experience

All of the audit committee members are business persons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Kyle Appleby spent the first 10 years of his career working in public accounting where he worked in both audit and advisory practices working with private companies and investment funds. In 2007, Mr. Appleby left the world of public accounting to focus on providing management and accounting services to public companies across a variety of industries including junior mining, food production, agriculture, cannabis, technology, crypto-currency and others. Mr. Appleby has been the Chief Financial Officer for numerous companies, listed in Canada, US and London and has extensive experience in financial reporting, IPOs, fund raising, and corporate governance. He holds a Chartered Professional Accountant designation and is a member in good standing of the Chartered Professional Accountants of Ontario and Canada.

Thomas Valentine has more than 30 years of experience in the oil and gas industry, both as a barrister and a solicitor. In 2002 and 2003, Mr. Valentine lived in Doha, Qatar, where he was senior counsel (projects) with Qatar Petroleum. While in Qatar, Mr. Valentine was responsible for a number of international gas and LNG projects, including projects in the United Kingdom (Qatargas II), India (RasGas) and Spain (Endesa Generacion). Since returning to Canada, Mr. Valentine's work continues to focus on oil, gas (including LNG) and project development work, including fiscal regime analysis and negotiations, E&P work, joint venture structuring, joint operations issues, purchase and sale agreements, and decommissioning obligations. He currently provides legal advice to various gas and LNG projects (both upstream and downstream) in Asia, Nigeria, South America, North America and the Middle East. Each year Mr. Valentine delivers lectures and teaches workshops on natural gas and LNG contracts in Perth, Doha, London, Dubai, Singapore, Seoul, Algeria, Brunei, Johannesburg, Rio and Mozambique.

Jeffrey Decter is the president of Integrity Financial Corp. focused on financing since 1998 with over 35 years experience including sales, management and financing. Prior to 1998, Mr. Decter was constantly in the top 3 in sales at a national communications company that had offices in Montreal, Toronto, Calgary, and Vancouver, developing a number of marketing strategies. His experience and network of individuals and organizations provides Avila a broader foundation for independent advice prior to making measured decisions and aggressive executions of its business and/or marketing plans.

Since the commencement of the Corporation's most recently completed financial year ended December 31, 2021, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year ended December 31, 2021, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, save for the requirement that all non-audit services to be performed by the Corporation's external auditor must be pre- approved and monitored by the Audit Committee. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the audit committee, on a case-by-case basis.

External Audit Service Fees (By Category)

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

The fees paid by the Corporation to MNP and WDM., the Corporation's external auditors, for services rendered to the Corporation in each of the last three fiscal years, by category, are as follows:

Financial Period Ending	Audit Fees	Audit Related Fees	Tax Fees	Other Fees	Total
December 31, 2021 ⁽¹⁾	\$67,000	Nil	Nil	Nil	\$67,000
December 31, 2020 ⁽²⁾	\$43,800	Nil	Nil	Nil	\$43,800
December 31, 2019 ⁽²⁾	\$23,535	Nil	Nil	Nil	\$23,535

Notes:

- (1) Audited financial statements conducted by WDM.
- (2) Audited financial statements conducted by MNP.

"Audit Fees" are the total fees paid for auditing the annual consolidated financial statements and other audits involving legal filings.

"Audit Related Fees" are the total fees paid for audit-related services, particularly consulting fees related to accounting and financial reporting standards.

"Tax Fees" are the total fees paid for compliance with tax regulations, tax advice and consulting and tax planning services for preparing tax returns for the Corporation's income tax, capital tax and sales taxes.

"Other fees" are the total fees paid for all services other than those listed under audit fees, fees for audit-related services and tax services, and mainly concern fees for translation and services related to a financing.

8. Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

PART 6 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board and senior Management consider good corporate governance to be central to the effective and efficient operation of the Corporation.

National Policy 58-201 Corporate Governance Guidelines (“NP 58-201”) establishes corporate governance guidelines, which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation’s practices comply with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires the Corporation to disclose annually in its Statement certain information concerning its corporate governance practices. As a “venture issuer” the Corporation is required to make such disclosure with reference to the requirements of Form 58- 101F2, which disclosure is set forth below.

1. Board of Directors

Structure and Composition

The Board is currently composed of six directors. NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the Corporation’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board is responsible for determining whether a director is an independent director. Of the directors, Leonard Van Betuw is not an independent director because of his position as CEO of the Corporation. Michel Lebeuf is not independent director because of his position as Corporate Secretary of the Corporation. On the other hand, Kyle Appleby, Thomas Valentine, Daniel Lucero and Jeffrey Decter are considered to be independent directors of the Corporation as they have no ongoing interest or material relationship with the Corporation other than serving as directors.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the Management of the Corporation’s affairs directly and through its committees (see “Committees of the Board of Directors” below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Corporation’s overall business strategies and its annual business plan, reviewing and

approving the annual corporate and operations budgets and forecasts, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with shareholder objectives; reviewing succession planning; assessing Management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to Shareholders; ensuring the effective operation of the Board; and safeguarding Shareholders' equity interests through the optimum utilization of the Corporation's capital resources. The Board also takes responsibility for identifying the principal risks of the Corporation's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Corporation's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies. However, as the Corporation grows, the Board will move to develop a formal written mandate.

The Board delegates to Management, through its Named Executive Officers, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to Management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

2. Directorships

As of the date of this Circular, the directors of the Corporation are currently directors and/or executive officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows.

Name of Director	Name of Other Reporting Issuer	Market / Exchange	Position
Leonard Van Betuw	Nil	Nil	Nil

Kyle Appleby	Nuinsco Resources Ltd. Spacefy Inc. Prospect Park Capital Corp. Renforth Resources Inc. Red Light Holland Corp. ADYA INC Nurcapital Corporation Ltd. Captor Capital Corp. Cadillac Ventures Inc. Tantalex Lithium Resources Corporation. Tokens.com Corp. Salona Global Medical Device Corporation Tarku Resources Ltd. Empower Clinics Inc. Bee Vectoring Technologies International Inc. GBLT Corp. URU Metals Limited	None CSE TSX-V CSE CSE TSX-V TSX-V TSX-V TSX-V CSE NEO TSX-V TSX-V CSE TSX-V TSX-V AIM	Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Director Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Chief Financial Officer Director
Michel Lebeuf	Tantalex Lithium Resources Corporation Fairchild Gold Corp. Pushfor Tech Inc. 4 Touchdowns Capital Inc. 27 Red Capital Inc. Auxico Resources Canada Inc.	CSE TSX-V CSE N/A N/A CSE	Corporate Secretary Director Director Director and Chief Financial Officer Director and Chief Financial Officer Senior Officer
Thomas Valentine	Touchstone Exploration Inc. NXT Energy Solutions Inc.	TSX TSX	Corporate Secretary Director
Daniel Lucero	Nil	Nil	Nil
Jeffrey Decter	Nil	Nil	Nil

The above information has been provided by the directors and has not been independently verified by the Corporation.

3. Orientation and Continuing Education

The Corporation does not provide a formal orientation and education program for new directors. However, any new directors will have the opportunity to become familiar with the Corporation by meeting with the other directors and officers of the Corporation. In addition, the Corporation does not provide continuing education for its directors. However, new directors, if any, will be briefed on the Corporation's strategic plans, short,

medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing both reporting and non-reporting companies. Board members are encouraged to communicate with Management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with Management's assistance. Board members have full access to the Corporation's records.

4. Ethical Business Conduct

The Board expects Management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act (Alberta)*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics having found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of Management and in the best interests of the Corporation and its Shareholders. In addition, the limited size of the Corporation's operations and the small number of officers and employees has allowed the Board to monitor on an ongoing basis the activities of Management and to ensure that the highest standard of ethical conduct is maintained. As the Issuer grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

5. Nomination of Directors

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the Chief Executive Officer, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

6. Compensation

Currently, the Corporation does not have a formal compensation committee and the Board as a whole is responsible for determining all forms of compensation to be granted to the Corporation's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position. In addition, any compensation to be paid to executive officers who are also directors must be approved by the disinterested directors thereby providing the independent directors with significant input into compensation decisions. See Part 4 "EXECUTIVE AND DIRECTOR COMPENSATION" above for details of the compensation paid to the Corporation's Named Executive Officers and a discussion of the Corporation's philosophy, objectives and processes with respect to executive compensation.

7. Other Board Committees

At the present time, the Board of the Corporation has appointed one formal committee, being the Audit Committee. The Audit Committee is comprised of Kyle Appleby, Thomas Valentine and Jeffrey Decter and is primarily responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Corporation, as well as internal controls to achieve the objectives of safeguarding the Corporation's assets; reliability of information; and compliance with policies and laws. See subsection "Audit Committee" for further information regarding the mandate of the Corporation's Audit Committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter.

As the Corporation grows, and its operations and Management structure become more complex, the Board will likely find it appropriate to constitute additional standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

8. Assessments

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

PART 7 – OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance at the end of the last completed financial year ended December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	200,000	0.35	3,565,134
Equity compensation plans not approved by security holders	N/A	N/A	N/A

1) All information provided in the table takes into account the consolidation of the Common Shares effective as of August 25, 2020.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year ended December 31, 2021 and as at the date of this Circular, no director, executive officer or employee or former director, executive officer or employee of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate of any such person, was indebted to the Corporation during the most recently completed financial year ended December 31, 2021 for other than “routine indebtedness”, as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no proposed nominee for election as a director, and no director or officer of the Corporation who has served in such capacity since the beginning of the last financial year of the Corporation, and no Shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Corporation’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with the Corporation or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Corporation or is likely to do so.

The Corporation, as of December 31, 2021, was proceeding with a transaction consisting of an Agreement of Purchase and sale with Avex Energy Inc. (formerly 611890 Alberta Inc.) (“611”). Leonard Van Betuw is the CEO of both the Corporation and 611. This transaction constitutes a related party transaction as defined in securities legislation. The transaction was subsequently approved by the Shareholders of the Corporation on August 31, 2022. The information circular pertaining to this transaction can be found on www.sedar.com under “Management information circular” dated July 25, 2022. This transaction subsequently closed on September 14, 2022.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation’s last completed financial year, none of the other insiders of the Corporation and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors.

MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by its directors and senior officers and the Corporation has no management agreements or arrangements under which such management functions are performed by persons other than the Directors and Senior Officers of the Corporation.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada, at its office located at 600, 530 8th Avenue SW, Calgary, AB T2P 3S8 is acting as transfer and registrar agent for the Corporation.

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Corporation is or is likely to be a party or which any of its properties or business interests are, or, to the best of knowledge of Management of the Corporation, likely to be subject of.

OTHER MATTERS

Management of the Corporation is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed in this Circular.

ADDITIONAL INFORMATION

Financial information about the Corporation is provided in its comparative financial statements and Management's Discussion and Analysis for the year ended December 31, 2021. You may access these documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

DATED at Calgary, Alberta, this 13th day of December, 2022.

"Leonard Van Betuw"

Chief Executive Officer

SCHEDULE "A" – CHANGE OF AUDITOR REPORTING PACKAGE

NOTICE OF CHANGE OF AUDITOR
(National Instrument 51-102)

To: Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Canadian Securities Exchange

MNP LLP
WDM Chartered Professional Accountants

PETRO VIKING ENERGY INC. (the “**Company**”) hereby provides notice that MNP LLP, at the request of the Company, resigned as the Company’s auditor effective October 6, 2021 (the “Resignation”). Pursuant to the *Business Corporations Act* (Alberta), the Directors of the Company have appointed WDM Chartered Professional Accountants, as the Company’s auditor in the place and stead of MNP LLP until the close of the next annual general meeting of shareholders of the Company.

In accordance with National Instrument 51-102 (“NI 51-102”) we confirm that:

- (a) MNP LLP was asked to resign as auditor of the Company to facilitate the appointment of WDM Chartered Professional Accountants, of Suite 420, 1501 West Broadway, Vancouver, British Columbia, V6J 4Z6;
- (b) MNP LLP, has not expressed any reservation in its reports for the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which MNP LLP, issued an audit report in respect of the Company and the date of this Notice;
- (c) the Resignation of MNP LLP and appointment of WDM Chartered Professional Accountants, as auditor of the Company were considered and approved by both the Audit Committee and the Board of Directors of the Company;
- (d) the audit reports of MNP LLP on the Company’ financial statements have not expressed a modified opinion; and
- (e) in the opinion of the Board of Directors of the Company, no “reportable event” as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Company, nor any period from the most recently completed period for which MNP LLP, issued an audit report in respect of the Company and the date of this Notice.

Dated: October 7, 2021

PETRO VIKING ENERGY INC.

Per: 
Name: Leonard Van Betuw
Title: President & CEO

October 15, 2021

Alberta Securities Commission
British Columbia Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Canadian Securities Exchange

Re: Petro Viking Energy Inc. (the “Company”) – Notice of change of auditor dated October 7, 2021

Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Change of Auditor Notice and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours truly,

MNP SENCRL, srl

MNP SENCRL, srl

¹ CPA auditor, CA, public accountancy permit No. A126822

October 8, 2021

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C.
V7Y 1L2

Alberta Securities Commission

600 – 5th Avenue SW
Calgary, AB
T2P 0R4

SERVICE

INTEGRITY

**Ontario Securities
Commission**

20 Queen Street West, 22nd Floor
Toronto, ON
M5H 3S8

**Autorite des Marchés
Financiers**

Place de la Cité, tour Cominar
2640, boulevard Laurier
Québec, Québec
G1V5C1

TRUST

**Canadian Securities
Exchange**

9th Floor – 220 Bay Street
Toronto, ON
M5J 2W4

**Re: Petro Viking Energy Inc. (“the Company”)
Notice Pursuant to NI 51-102 – Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company’s Notice of Change of Auditor dated October 07, 2021, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

WDM

Chartered Professional Accountants

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

cc. Petro Viking Energy Inc.

Q:\WINWORD\MIKE\AO\MKLETRS\Petro Viking Energy Inc\Appointment - Auditors\Petro Viking Energy Inc. - Ltr to Regulators re Notice Change Auditors.docx

SUITE 420

1501 WEST BROADWAY
VANCOUVER, BRITISH COLUMBIA
CANADA V6J 4Z6

TEL: (604) 428-1866

FAX: (604) 428-0513

WWW.WDMCA.COM

WDM



SCHEDULE “B” – AUDIT COMMITTEE CHARTER

AVILA ENERGY CORPORATION

1 **Purpose**

- 1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee’s role is to:
 - (a) support the Board of Directors in meeting its responsibilities to shareholders;
 - (b) enhance the independence of the external auditor;
 - (c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
 - (d) increase the credibility and objectivity of the Company’s financial reports and public disclosure.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2 **Membership**

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3 **Authority**

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
 - (a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and
 - (b) communicate directly with management and any internal auditor, and with the external

auditor without management involvement.

- (c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4 Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- (b) recommending to the Board of Directors the compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- (i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- (j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;
- (k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
- (l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (m) ensuring the integrity of disclosure controls and internal controls over financial reporting;

- (n) resolving disputes between management and the external auditor regarding financial reporting;
 - (o) establishing procedures for:
 - i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and
 - ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
 - (p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
 - (q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;
 - (r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.
42. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.**
- 5.3. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.4. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.5. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.6. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.7. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.8. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.9. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention

of the Board of Directors or the shareholders.

6. Reports

- 6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

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