



PERMEX PETROLEUM
C O R P O R A T I O N

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

for the

**ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 24, 2023**

Dated as of March 14, 2023

**Permex Petroleum Corporation
Suite 500-666 Burrard Street
Vancouver, British Columbia V6C 2X8**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 24, 2023**

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Permex Petroleum Corporation (the "**Company**") will be held at 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5, on Monday, April 24, 2023 at 10:00 a.m. (Pacific Time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial years ended September 30, 2022 and 2021, together with the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at eight (8);
3. to elect directors of the Company for the ensuing year;
4. to appoint Marcum LLP as auditors of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration of the auditors;
5. to consider and, if thought fit, pass an ordinary resolution providing the approval of the Company's 10% "rolling" stock option plan, as more particularly described in the accompanying Management Information Circular (the "**Circular**"); and
6. to transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

This notice is accompanied by a Management Information Circular (the "**Circular**") and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular.

The board of directors of the Company has fixed the record date for the Meeting at the close of business on March 14, 2023 (the "**Record Date**") for determining Shareholders entitled to receive notice of, and to vote at the Meeting and any postponement or adjournment of the Meeting, unless any such Shareholder transfers such Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The accompanying Circular provides instructions on the various methods that a Shareholder can use to have vote their Common Shares at the Meeting, including instructions regarding voting in person, by mail, by internet, or by phone.

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact TSX Trust Company by telephone at 1-866-600-5869 (toll free in North America), by fax at 416-361-0470 or by e-mail at tmxinvestorservices@tmx.com.

DATED at Vancouver, British Columbia this 14th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Mehran Ehsan"

Mehran Ehsan
President, Chief Executive Officer and Director

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**INFORMATION CIRCULAR
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 24, 2023**

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

Solicitation of Proxies

This Management Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Permex Petroleum Corporation (the "**Company**" or "**Permex**") for use at the Annual General Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Company to be held at 10th Floor, 595 Howe Street, Vancouver, British Columbia at 10:00 a.m. (Pacific Time) on April 24, 2023, and at any adjournment thereof, for the purposes set forth in the Notice of Annual General Meeting.

The board of directors of the Company (the "**Board**") has fixed the record date for the Meeting at the close of business on March 14, 2023 (the "**Record Date**") for determining Shareholders entitled to receive notice of, and to vote at the Meeting and any postponement or adjournment of the Meeting, unless any such Shareholder transfers such Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

All dollar amounts referenced herein are expressed in United States Dollars unless otherwise stated.

Appointment of Proxyholder

The purpose of a proxy is to designate persons who will vote the proxy on a Shareholder's behalf in accordance with the instructions given by the Shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are directors and/or officers of the Company (the "**Management Proxyholders**").

A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

Voting by Proxy

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Common Shares represented by a properly executed proxy will be voted for or against or withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any adjournment(s) thereof, unless the chairman of the Meeting elects to exercise his or her discretion to accept proxies received subsequently. A Shareholder may also vote by internet by following the instructions provided in the accompanying form of proxy.

Non-Registered Holders

Only registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Registered Shareholders are holders of Common Shares of the Company whose names appear on the share register of the Company and are not held in the name of a brokerage firm, bank or trust company through which they purchased Common Shares. Whether or not you are able to attend the Meeting, Shareholders are requested to vote their proxy in accordance with the instructions on the proxy. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. The Company's Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of their Common Shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

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 (called "**NOBOs**" for Non-Objecting Beneficial Owners).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Company has elected to send copies of the proxy-related materials, including a voting instruction form ("**VIF**") directly to the NOBOs in connection with the Meeting. With respect to OBOs, in accordance with applicable securities law requirements, the Company has distributed copies of the Meeting materials to the clearing agencies and Intermediaries for distribution to OBOs. The Company will not pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary* to OBOs. As a result, OBOs may not receive the Meeting materials.

Intermediaries are required to forward the Meeting materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting materials will either:

- (a) be given a VIF **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow; or
- (b) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of their Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert their own name or such other person's name in the blank space provided. **Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or VIF is to be delivered.**

A Non-Registered Shareholder may revoke a VIF or a waiver of the right to receive Meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

The Company is not sending the Meeting materials to Shareholders using "notice-and-access" as defined under NI 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Revocation of Proxy

In addition to revocation in any other manner permitted by law, a Shareholder, their attorney authorized in writing or, if the Shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered Shareholders have the right to revoke a proxy.

INFORMATION CONCERNING THE COMPANY

The information in this Circular is given as of March 14, 2023, unless otherwise specified.

Voting Shares and Principal Holders thereof

As at the date of this Circular, 1,932,604 Common Shares were issued and outstanding, each such Common Share carrying the right to one vote on a ballot at the Meeting. The close of business on March 14, 2023 is the Record Date. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of Common Shares, demand not later than ten days before the Meeting that such transferees name be included in the list of persons entitled to attend and vote at the Meeting. A quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, at the date of this Circular, no person or corporation beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of voting securities of the Company, except the following:

Name	No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Common Shares ⁽¹⁾
John James Lendrum ⁽²⁾	331,248	16.21%
James Perry Bryan ⁽³⁾	293,749	14.47%

(1) Based on 1,932,604 Common Shares issued and outstanding.

(2) Represents (i) 116,666 Common Shares owned by Petro Americas Resources, LLC, (ii) 104,166 Common Shares owned by Rockport Permian, LLC, (iii) 52,083 Common Shares issuable upon exercise of warrants owned by Rockport Permian, LLC and (iv) 58,333 Common Shares issuable upon exercise of warrants owned by Petro Americas Resources, LLC. John Lendrum has the right to vote and dispose of the securities held by each of Petro Americas Resources, LLC and Rockport Permian, LLC.

(3) Represents (i) 195,833 Common Shares owned by Pratt Oil and Gas, LLC and (ii) 97,916 Common Shares issuable upon exercise of warrants owned by Pratt Oil and Gas, LLC. James Bryan has the right to vote and dispose of the securities held by Pratt Oil and Gas, LLC.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than the election of directors or the appointment of auditors, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting, except that the directors and executive officers of the Company may have an interest in the resolution regarding the approval of the Option Plan (as defined and described under "*Particulars of Matters to be Acted Upon at Meeting – Stock Option Plan*") as such persons are eligible to participate in such Option Plan.

PARTICULARS OF MATTERS TO BE ACTED UPON AT MEETING

Financial Statements and Auditor's Report

The audited consolidated financial statements of the Company (the "**Financial Statements**") for the years ended September 30, 2022 and 2021 and the auditors' reports thereon will be tabled before the Shareholders at the Meeting. The audited consolidated financial statements have been approved by the Audit Committee and the Board. The Financial Statements can also be found under the Company's profile on SEDAR at www.sedar.com. No vote by the Shareholders is required to be taken with respect to the Financial Statements.

Fix Number of Directors

At the Meeting, a motion will be made to fix the number of directors to be elected at the Meeting at eight. **In the absence of instructions to the contrary, the enclosed proxy will be voted to set the number of directors of the Company at eight (8).**

To become effective, the foregoing resolution must be passed, with or without amendment, by the affirmative vote of at least a simple majority of the votes cast by the Shareholders at the Meeting, or any adjournment of the Meeting.

Notwithstanding the foregoing resolution, the directors may, between annual meetings, appoint one or more additional directors of the Company to serve until the close of the next annual meeting, but the total number of additional directors shall not at any time exceed one-third of the number of directors elected at the Meeting.

Election of Directors

At the Meeting, a motion will be made to elect eight proposed nominees as directors of the Company until the next annual meeting or until their successors are elected or appointed, and the Shareholders will be asked to vote on the election of each nominee individually.

To become effective, the resolutions electing each director individually must be passed, with or without amendment, by the affirmative vote of at least a simple majority of the votes cast by the Shareholders at the Meeting, or any adjournment of the Meeting. **In the absence of instructions to the contrary, the enclosed proxy will be voted FOR the nominees herein listed.**

Director Nominee Information

The following table sets forth, in respect of each proposed nominee for election as a director of the Company, certain information as of the date of this Circular. The information set forth in the following table is based upon information furnished by the respective nominees and by the Company.

Name, Municipality of Residence and Date First became a Director	Office	Principal Occupation	Common Shares Beneficially Owned or Controlled
Mehran Ehsan ⁽¹⁾ <i>Dallas, Texas</i> <i>United States</i> April 24, 2017	President, Chief Executive Officer and Director	<p>Mr. Ehsan has been, during the past 5 years, and currently is the president and chief executive officer of N.A. Energy Resources Corporation, a privately held oil and gas operator. Mr. Ehsan does not currently devote a significant amount of time to N.A. Energy Resources Corporation.</p> <p>Mr. Ehsan dedicates 100% of his professional time to the affairs of the Company.</p>	76,367 ⁽²⁾ (plus 23,750 Options) ^{(3) (10)}
Gregory Montgomery <i>Houston, Texas</i> <i>United States</i> March 15, 2020	Chief Financial Officer, Corporate Secretary and Director	<p>Mr. Montgomery has been an executive business consultant who has held the office of CFO for Oiltanking North America, Semarus Energy Advisors, Lion Copolymer, Coast Energy, Laser Midstream, and was a Director of Strategic Planning for Enbridge Energy Partners (<i>EEP: NYSE</i>) and Compliance Officer for Pennzoil Company (<i>PZL: NYSE</i>). Mr. Montgomery is a CPA and member of the Texas Society of CPA's and American Institute of Certified Public Accountants.</p> <p>Mr. Montgomery dedicates 50% of his professional time to the affairs of the Company.</p>	Nil (plus 7,500 Options) ⁽⁷⁾
Barry Whelan <i>Powell River, British Columbia, Canada</i> April 24, 2017	Chief Operating Officer and Director	<p>Mr. Whelan has been, during the past 5 years, and currently is the chief operating officer and a director of N.A. Energy Resources Corporation, a privately held oil and gas operator. Mr. Whelan does not currently devote a significant amount of time to N.A. Energy Resources Corporation.</p> <p>Mr. Whelan dedicates 100% of his professional time to the affairs of the Company.</p>	13,383 ⁽⁵⁾ (plus 13,333 Options) ^{(3) (10)}
Douglas Charles Urch ⁽¹⁾ <i>Montgomery, Texas,</i> <i>United States</i> November 1, 2018	Director	<p>Mr. Urch is the Executive Vice President and Chief Financial Officer of PetroTal Corp. since November 2019, and Chair of the Board from December 2017 to October 2019. He was the Executive Vice President, Finance and Chief Financial Officer of Bankers Petroleum Ltd. from February 2008 to September 2018.</p> <p>Mr. Urch dedicates 5% of his professional time to the affairs of the Company.</p>	4,000 (plus 14,166 Options) ^{(6) (10)}
Scott Kelly <i>North Vancouver,</i> <i>British Columbia,</i> <i>Canada</i> December 4, 2017	Director	<p>During the past 5 years, Mr. Kelly has been a self-employed business consultant who has held the office of Chief Financial Officer for Ely Gold Royalties Inc., Marlin Gold Mining Ltd., Sonoro Metals Corp. and Ethos Gold Corp. Mr. Kelly dedicates approximately 5% of his professional time to the affairs of the Company.</p>	14,999 ⁽⁴⁾ (plus 13,333 Options) ^{(3) (10)}

Name, Municipality of Residence and Date First became a Director	Office	Principal Occupation	Common Shares Beneficially Owned or Controlled
John James Lendrum ⁽¹⁾ <i>Houston, Texas</i> September 30, 2021	Director	Since 2015, Mr. Lendrum has been the Non-Executive Chairman of Nuevo Midstream Dos, LLC. From 2012 to 2014, he was the President, CEO and member of the Board of Directors of Nuevo Midstream Company (“Nuevo”). Nuevo owned and operated gas gathering, processing and treating assets in the Delaware and Permian Basins of West Texas and New Mexico and was sold to an affiliate of Anadarko Petroleum Company in 2014. Mr. Lendrum serves on the Board of Blue Rock Energy Partners. In 2018, he participated along with several other family offices, in the acquisition of Blue Rock from the private equity unit of TudorPickeringHolt.	220,832 (plus 110,416 Warrants) ⁽⁸⁾
James Perry Bryan ⁽¹⁾ <i>Galveston, Texas</i> September 30, 2021	Director	Mr. Bryan has been involved in the energy and investment industries for more than five decades, serving as CEO and President of Gulf Canada Resources Limited (1995-98), Chairman (1990-97) and CEO of Nuevo Energy Company (1990-95), CEO of Bellwether Exploration (1987-97), First Vice President of E.F. Hutton & Company and Director of Investment Banking-Southwest Region (1978-1981), Chairman and CEO of Torch Energy Advisors, Inc. (1981-2012), President and CEO of The Mortgage Banque (1974-1978), Executive Vice President and Director of Dominick & Dominick, Inc. (1969-1974), and Vice President of Morgan Guaranty Trust Company (1966-69). He received his B.A. from The University of Texas at Austin (1959-62); his L.L.B. from The University of Texas Law School at Austin (1963-65); and his B.F.T. from the American Institute of Foreign Trade at Phoenix, Arizona (1966). Among his numerous business awards are Texas Entrepreneur of the Year (1994) and Canadian Oil Producer of the Year (1995).	195,833 (plus 97,916 Warrants) ⁽⁹⁾
Melissa Folz <i>Spring, Texas</i> October 24, 2022	Director	Ms. Folz is currently the Director of Production Engineering and Optimization at Chord Energy, which is a result of the merger of Oasis Petroleum and Whiting Petroleum effective July 1st, 2022. Ms. Folz has been a leader at Oasis Petroleum since 2014 in various production, reservoir, and subsurface assessment management positions. Prior to joining Oasis she worked at Sabine Oil and Gas as a production engineer and Southwestern Energy as a completions engineer. Ms. Folz has over fourteen years of experience in oil and gas, graduated as a Petroleum Engineer from Louisiana State University, and is a licensed Professional Engineer in the state of Texas.	Nil

(1) Member of the Audit Committee.

- (2) Represents (i) 34,283 Common Shares owned by Mehran Ehsan, (ii) 41,667 Common Shares owned by N.A. Energy Resources Corporation, and (iii) 417 Common Shares owned by Mehran Ehsan's spouse, Mehran Ehsan is the President and Chief Executive Officer of N.A. Energy Resources Corporation and in such capacity has the right to vote and dispose of the securities held by such entity.
- (3) These stock options ("Options") entitle the holder to purchase Common Shares at an exercise price of \$21.90 per Common Share for a period of 10 years pursuant to the Option Plan (as defined herein). For more information on the Options, see "Statement of Executive Compensation – Stock Options and Other Compensation Securities".
- (4) Represents (i) 11,666 Common Shares owned by Tuareg Consulting Inc., and (ii) 3,333 Common Shares owned by Scott Kelly's spouse.
- (5) Represents (i) 12,966 Common Shares owned by Barry Whelan, and (ii) 417 Common Shares owned by Barry Whelan's spouse.
- (6) Represents Options to purchase Common Shares at an exercise price of \$13.14 per Common Share for a period of 10 years pursuant to the Option Plan (as defined herein). For more information on the Options, see "Statement of Executive Compensation – Stock Options and Other Compensation Securities".
- (7) Represents Options to purchase Common Shares at an exercise price of \$2.19 per Common Share for a period of 10 years pursuant to the Option Plan (as defined herein). For more information on the Options, see "Statement of Executive Compensation – Stock Options and Other Compensation Securities".
- (8) Represents (i) 116,666 Common Shares owned by Petro Americas Resources, LLC, (ii) 104,166 Common Shares owned by Rockport Permian, LLC, (iii) 52,083 Common Shares issuable upon exercise of warrants owned by Rockport Permian, LLC and (iv) 58,333 Common Shares issuable upon exercise of warrants owned by Petro Americas Resources, LLC. John Lendrum has the right to vote and dispose of the securities held by each of Petro Americas Resources, LLC and Rockport Permian, LLC. The warrants have an exercise price of \$8.76 per Common Share for a period of 10 years.
- (9) Represents (i) 195,833 Common Shares owned by Pratt Oil and Gas, LLC and (ii) 97,916 Common Shares issuable upon exercise of warrants owned by Pratt Oil and Gas, LLC. James Bryan has the right to vote and dispose of the securities held by Pratt Oil and Gas, LLC. The warrants have an exercise price of \$8.76 per Common Share for a period of 10 years.
- (10) Represents Options to purchase Common Shares at an exercise price of \$10.51 per Common Share for a period of 10 years pursuant to the Option Plan (as defined herein). For more information on the Options, see "Statement of Executive Compensation – Stock Options and Other Compensation Securities".

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, to the best of the knowledge of management of the Company, no proposed nominee for election as a director of the Company:

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

any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or

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

For the purposes of (a) above, "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant corporation access to any exemption under securities legislation; that was in effect for a period of more than 30 consecutive days.

Douglas Urch was a director of Underground Energy Corporation ("**Underground Canada**"). On July 4, 2013, the British Columbia Securities Commission issued a cease trade order on all of the securities of Underground Canada. As a result of the cease trade order, the TSX Venture Exchange (the "**TSXV**") suspended trading of Underground Canada's shares effective as of the same date. The cease trade order and suspension in share trading were the result of Underground Canada's failure to file financial statements and management's discussion and analysis for both the year ended December 31, 2012, the three months ended March 31, 2013 and the six months ended June 30, 2013, prior to the required deadlines. The cease trade order and trading suspension remain in effect.

Mr. Urch was also a director of Underground Energy, Inc. ("**Underground USA**"), a wholly-owned US subsidiary of Underground Canada. Underground USA voluntarily filed for Chapter 11 creditor protection in US Federal Court on March 4, 2013. The case was filed in the United States Bankruptcy Court for the Central District of California - Northern Division, Santa Barbara. On January 5, 2015, Underground USA successfully emerged from the protection of Chapter 11 of the U.S. Bankruptcy Code and restructured without having to declare bankruptcy, coincident with the resignation of Mr. Urch.

Appointment of Auditors

Marcum LLP of 6002 Rogerdale Road, Suite 300, Houston, Texas 77072 were appointed as auditors of the Company on October 31, 2022.

On October 31, 2022, the Board (on the recommendation of the Audit Committee) determined not to re-appoint Davidson & Company LLP as the Company's auditors, and Marcum LLP were appointed as auditors of the Company. A copy of the "reporting package" in respect of the change of auditors is attached as Schedule "A" to this Circular

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy FOR the appointment of Marcum LLP, as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

Stock Option Plan

The Company's current stock option plan (the "**Option Plan**") was approved by the Board on November 27, 2017. The purpose of the Option Plan is to ensure that the Company is able to provide an incentive program for directors, officers, employees and persons providing services to the Company (each, an "**Optionee**") that provides enough flexibility in the structuring of incentive benefits to allow the Company to remain competitive in the recruitment and maintenance of key personnel.

The Option Plan is administered by the Board, which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Option Plan, to interpret the Option Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Option Plan, subject to any necessary shareholder or regulatory approval. The Board may delegate any or all of its authority with respect to the administration of the Option Plan. The Board shall determine to whom Options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such Options shall be granted and vested, and the number of Common Shares to be subject to each Option.

The material terms of the Option Plan are qualified in their entirety by the full text of the Option Plan. Under the Option Plan, Options will be exercisable over periods of up to 10 years as determined by the Board. The exercise price of any Option may not be less than the greater of the closing market price of the Common Shares on: (i) the trading day prior to the date of grant of the Option; and (ii) the grant date of the Option, less any applicable discount allowed by the Canadian Securities Exchange (the "**CSE**") or any other stock exchange on which the Common Shares are listed for trading.

The maximum number of Common Shares which may be issued pursuant to Options granted under the Option Plan is 10% of the issued and outstanding Common Shares at the time of the grant, provided that the Common Shares are listed on the CSE or any other stock exchange at the time of grant. In addition, the number of Common Shares which may be issuable under the Option Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (i) to any one Optionee may not exceed (without the requisite disinterested shareholder approval) 5% of the issued Common Shares on a non-diluted basis;
- (ii) to insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares, on a non-diluted basis, at the time of the grant; and
- (iii) to all Optionees who undertake investor relation activities shall not exceed 1% in the aggregate of the total number of issued and outstanding Common Shares at the time of the grant, on a non-diluted basis.

The Option Plan permits the Board to specify a vesting schedule in its discretion, subject to minimum vesting requirements imposed by the applicable stock exchange. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on option grants set out in the Option Plan, all Options granted under the Option Plan shall vest and become exercisable in full upon grant, except Options granted to consultants performing investor relations activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period.

The Option Plan provides that if a change of control (as defined in the Option Plan) occurs, or if the Company is subject to a take-over bid, all Common Shares subject to Options shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder. The Board may also accelerate the expiry date of outstanding Options in connection with a take-over bid.

The Option Plan contains adjustment provisions with respect to outstanding Options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

The Option Plan provides that on the death or disability of an Option holder, all vested Options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such Options. Where an Optionee is terminated for cause, any outstanding Options (whether vested or unvested) are cancelled as of the date of termination. If an Optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such Optionee will expire at the earlier of (i) the expiry date of such Options and (ii) the date which is 90 days (30 days if the Optionee was engaged in investor relations activities) after the Optionee ceases its office, employment or engagement with the Company.

The Option Plan contains a provision that if pursuant to the operation of an adjustment provision of the Option Plan, an Optionee receives Options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options under the Option Plan (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the Optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Option Plan relating to expiration of Options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "**Termination Provisions**"); (iii) if the Optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is one (1) year after the Optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 – *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that holders of outstanding Options are not prejudiced by the imposition of such black-out periods, the Option Plan contains a provision to the effect that any outstanding Options with an expiry date occurring during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

The Options granted under the Option Plan are non-assignable and non-transferable. Subject to required shareholder approval and the approval of the CSE, or any other stock exchange on which the Common Shares are listed, if applicable, the Board may from time to time amend or revise the terms of the Option Plan or may terminate the Option Plan at any time.

The Company does not provide any financial assistance to participants in order to facilitate the purchase of Common Shares under the Option Plan. As at the date of this Circular, there were Options outstanding under the Option Plan to acquire **84,583** Common Shares, representing approximately **4.38%** of the Company's current issued and outstanding shares.

A copy of the Option Plan may be inspected at the head office of the Company, Suite 500-666 Burrard Street, Vancouver, British Columbia V6C 2X8 during normal business hours and at the Meeting. In addition, a copy of the Option Plan will be mailed, free of charge, to any Shareholder who requests a copy, in writing, from the Chief Financial Officer of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the Chief Financial Officer.

Shareholders are being asked to pass an ordinary resolution to ratify and confirm the Option Plan as adopted by the Board which permits the issuance of up to 10% of the issued and outstanding Common Shares from time to time. To be effective, the resolution must be passed by a simple majority of the votes cast thereon by Shareholders present in person or by proxy at the Meeting. If the resolution to approve the Option Plan is not approved by the Shareholders, all unallocated Options will be cancelled and the Company will not be permitted to make any further grants until Shareholder approval is obtained.

Shareholders will be asked to pass an ordinary resolution, in substantially the following form, to approve the Option Plan.

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Option Plan of the Company, as adopted by the Board of Directors, and as described in the Company's management information circular dated March 14, 2023, be and is hereby approved and ratified, and the Company be and is hereby authorized to reserve for issuance pursuant to the Option Plan up to 10% of the issued and outstanding common shares of the Company from time to time;
2. the Board of Directors be and is hereby authorized on behalf of the Company to make any amendments to the Option Plan as may be required by regulatory authorities or otherwise made necessary by applicable legislation, without further approval of the shareholders of the Company, in order to ensure the adoption and efficient function of the Option Plan; and
3. any director or officer of the Company be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the Option Plan."

The Board believes the passing of the foregoing ordinary resolution is in the best interests of the Company and recommend that the Shareholders vote **IN FAVOUR** of the resolution. **In the absence of contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intended to vote IN FAVOUR of the approval of the Option Plan.**

STATEMENT OF EXECUTIVE COMPENSATION

Director and NEO compensation, excluding compensation securities

For the purposes hereof, a named executive officer ("NEO") of the Company means each of the following individuals:

- (a) the Chief Executive Officer ("CEO") of the Company;
- (b) the Chief Financial Officer ("CFO") of the Company;
- (c) each of the three most highly compensated Executive Officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000. "Executive Officer" means the chairman, and any vice-chairman, president, secretary or any vice-president and any officer of the Company or a subsidiary who performs a policymaking function in respect of the Company; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

Each of Mehran Ehsan, President and CEO, Gregory Montgomery, CFO, and Scott Kelly, former CFO and Corporate Secretary, is a NEO of the Company for purposes of this disclosure.

The following table sets forth, for the years ended September 30, 2022 and 2021, all compensation (other than stock options and other compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity.

Table of Compensation, Excluding Compensation Securities							
Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾⁽²⁾	Value of All Other Compensation (\$)	Total Compensation (\$)
Mehran Ehsan ⁽³⁾ President, CEO and Director	2022	220,834	Nil	Nil	Nil	Nil	220,834
	2021	149,806	Nil	Nil	Nil	Nil	149,806
Greg Montgomery ⁽⁶⁾ CFO, Corporate Secretary and Director	2022	20,835	Nil	Nil	Nil	Nil	20,835
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Scott Kelly ⁽⁴⁾ Former CFO, Former Corporate Secretary and Director	2022	9,360	Nil	Nil	Nil	Nil	9,360
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Table of Compensation, Excluding Compensation Securities							
Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽¹⁾⁽²⁾	Value of All Other Compensation (\$)	Total Compensation (\$)
Barry Whelan ⁽⁵⁾ Chief Operating Officer and Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	4,167	Nil	Nil	Nil	Nil	4,167
James Perry Bryan ⁽⁷⁾ Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
John James Lendrum ⁽⁷⁾ Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Charles Urch ⁽⁸⁾ Director	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Melissa Folz ⁽⁹⁾ Director	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Includes perquisites provided to an NEO or director that are not generally available to all employees. An item is generally a perquisite if it is not integrally and directly related to the performance of the director's or NEO's duties. If something is necessary for a person to do his or her job, it is integrally and directly related to the job and is not a perquisite, even if it also provides some amount of personal benefit. For the purposes of the table, perquisites are valued on the basis of the aggregate incremental cost to the Company and its subsidiaries.
- (2) NEOs and directors whose total salary for the applicable financial year was \$150,000 or less did not receive perquisites that, in aggregate, were greater than \$15,000. NEOs and directors whose total salary for the applicable financial year was greater than \$150,000 but less than \$500,000 did not receive perquisites that, in aggregate, were greater than 10% of the NEO's or director's salary for the applicable financial year.
- (3) Mr. Ehsan is a director of the Company but does not receive any compensation in such capacity. Mr. Ehsan was appointed as a director of the Company on April 24, 2017.
- (4) Mr. Kelly is a director of the Company but does not receive any compensation in such capacity. Mr. Kelly was appointed as a director of the Company on December 4, 2017. He resigned as CFO and Corporate Secretary on May 2, 2022.
- (5) Mr. Whelan is a director of the Company but does not receive any compensation in such capacity. Mr. Whelan was appointed as a director of the Company on April 24, 2017.
- (6) Mr. Montgomery was appointed as a director of the Company on March 15, 2020. He was appointed CFO and Corporate Secretary on May 2, 2022.
- (7) Mr. Bryan and Mr. Lendrum were appointed directors the Company on September 30, 2021.
- (8) Mr. Urch was appointed as a director of the Company on November 1, 2018.
- (9) Ms. Folz was appointed as a director of the Company on October 24, 2022.

External Management Companies

None of the NEOs or directors of the Company have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Company to provide executive management services to the Company, director or indirectly, other than those set out below under "*Employment Contracts, Termination Benefits and Change of Control Benefits*".

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each director and NEO by the Company or one of its subsidiaries in the year ended September 30, 2022 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Compensation Securities							
Name and position	Type of compensation security ⁽¹⁾	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Mehran Ehsan President, CEO and Director	Stock Options	12,500	October 6, 2021	10.51	10.51	7.80	October 6, 2031
Greg Montgomery CFO, Corporate Secretary and Director	Stock Options	2,500	October 6, 2021	10.51	10.51	7.80	October 6, 2031
Barry Whelan Chief Operating Officer and Director	Stock Options	8,333	October 6, 2021	10.51	10.51	7.80	October 6, 2031
Douglas Charles Urch Director	Stock Options	9,166	October 6, 2021	10.51	10.51	7.80	October 6, 2031
Scott Kelly Director	Stock Options	8,333	October 6, 2021	10.51	10.51	7.80	October 6, 2031

(1) "**Compensation Securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

The following table discloses details regarding each exercise of Compensation Securities by a director or NEO during the year ended September 30, 2022.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Mehran Ehsan President, CEO and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Greg Montgomery CFO, Corporate Secretary and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Barry Whelan Chief Operating Officer and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Edward A. Odishaw Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Charles Urch Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott Kelly Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Stock Option Plans and Other Incentive Plan

Other than the Option Plan, the Company currently does not have any other stock option plan, stock option agreement made outside of a stock option plan, plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

For a summary of the material terms of the Option Plan, please see "*Particulars of Other Matters to be Acted Upon at Meeting – Stock Option Plan*".

Employment, Consulting and Management Agreements

Other than the executive employment agreement between the Company and Mehran Ehsan, the material terms of which are set forth below, the Company does not have any compensation agreements or arrangements that the Company or any of its subsidiaries have entered into with respect to services provided by a NEO, a director or any other party in the event such services provided are typically provided by a director or NEO (collectively, "**Compensation Arrangements**").

The Compensation Arrangements for Mehran Ehsan were initially set forth in the amended employment agreement dated September 1, 2021, as subsequently amended on May 1, 2022, between the Company and Mr. Ehsan (the "CEO Employment Agreement"). Pursuant to the CEO Employment Agreement, the Company employs Mr. Ehsan to serve as CEO of the Company and to perform such duties and have such authority as may from time to time be assigned by the Board. As compensation for the performance of such duties, the Company paid Mr. Ehsan a base salary of \$200,000 per year (which increased to \$250,000 as of May 1, 2022), which shall be reviewed by the Company annually. Mr. Ehsan is also eligible for cash bonuses and grants of Options under the Option Plan, in the sole discretion of the Board, as well as group health, medical and disability insurance benefits and any other fringe benefit programs that the Company maintains from time to time for the benefit of its employees.

The Company may immediately terminate Mr. Ehsan's employment at any time for cause, by written notice. The Company may terminate the Mr. Ehsan's employment at any time without cause by providing him with notice in writing and compensation in lieu of notice as follows:

- payment of all outstanding and accrued base salary and vacation pay, earned and owing up to the last day of the active employment, and reimbursement for all proper expenses incurred by him in connection with the Company's business prior to the last day of active employment;
- payment of an amount equal to 36 months base salary;
- payment of an amount in lieu of his performance bonus equal to 20% of base salary; and
- continuation of his benefit coverage for a period of six months, or alternatively, if it is unable to continue Mr. Ehsan's participation in one or more of the Company's benefit plans, the Company shall pay him an amount equal to the premium cost or contributions the Company would otherwise have made in respect of his participation in the relevant plan(s) for six months.

Mr. Ehsan is required to give the Company not less than two weeks' notice in the event of his resignation. Upon receipt of his notice of resignation, or at any time thereafter, the Company has the right to elect to pay, in lieu of such notice period, Mr. Ehsan's salary for the remainder of the notice period and a reasonable amount in lieu of the his benefits for that period. If the Company elects for payment in lieu of notice, the Mr. Ehsan's employment shall terminate immediately upon such payment.

If the Company determines that Mr. Ehsan has suffered a Disability (as defined below) that cannot be accommodated, the Company may terminate his employment by notice. In such case, Mr. Ehsan is entitled to receive, in lieu of all amounts otherwise payable under the CEO Employment Agreement (except for amounts earned but not yet paid to Mr. Ehsan through the date of such Disability), compensation at Mr. Ehsan's base salary rate for a period of six months following the date of Disability or such greater amount as is required by applicable law. In the CEO Employment Agreement, "Disability" means a physical or mental incapacity of Mr. Ehsan that has prevented him from performing the duties customarily assigned to him for 180 days, whether or not consecutive, out of any 12 consecutive months and that in the opinion of the Company, acting on the basis of advice from a duly qualified medical practitioner, is likely to continue to a similar degree.

In the event of death, Mr. Ehsan's employment shall be deemed to have terminated on the date thereof and the Company shall pay his estate the amounts specified above in respect of termination without cause.

Other than pursuant to the CEO Employment Agreement, the Company has not granted any termination or change of control benefits with respect to any Compensation Arrangement and there are no compensatory plans or arrangements with respect to any NEO or director resulting from the resignation, retirement or any other termination of any NEO or director or from a change of any NEO's or director's responsibilities following a change of control. In case of termination of NEOs, other than the CEO, common law and statutory law applies.

On May 1, 2022, the Company entered into an employment agreement with Greg Montgomery for an annual base salary of \$50,000, with no specified term (the "CFO Employment Agreement"). Greg Montgomery is also eligible on an annual basis for a cash bonus of up to 100% of annual salary. The employment agreement may be terminated with a termination payment equal to two months of base salary.

The table below sets forth information with respect to each NEO currently employed by the Company in order to assist the reader in determining the potential payment to each such NEO in the event of the termination of such NEO's employment by the Company other than for cause or in the event of a change of control. The estimated payments have been calculated on the basis of employment agreements as they exist at the date of this Circular and assuming that they were in effect on September 30, 2022.

Name	Estimated Payment Assuming Termination Without Cause on September 30, 2022 (\$)	Estimated Payment Assuming a Change of Control on September 30, 2022 (\$)
Mehran Ehsan	900,000	Nil
Greg Montgomery	8,333	Nil

The estimated payments assuming a change of control on September 30, 2022 are based on the assumption that the NEOs are terminated without cause or elect to terminate the agreements.

Oversight and Description of Director and Name Executive Officer Compensation

Elements of Compensation

Compensation to be awarded or paid to the Company's directors and/or executive officers, including NEOs is consist primarily of management fees, stock options and bonuses. Payments may be made from time to time to executive officers, including NEOs, or companies they control for the provision of consulting or management services. Such services are paid for by the Company at competitive industry rates for work of a similar nature done by reputable arm's length services providers.

The Board will from time to time determine the stock option grants to be made pursuant to the Option Plan. It is also anticipated that the Board may award bonuses, in its sole discretion, to executive officers (including NEOs) from time to time. See also "*Particulars of Matters to be Acted Upon at Meeting – Stock Option Plan*" for further information with respect to the material terms of the Option Plan.

The most significant components of the Company's executive compensation plan are base salary and an annual incentive bonus. These components are based upon:

- achievement of specific corporate or segment performance targets;
- a performance evaluation process, taking into consideration comparative levels of compensation with comparable entities in the Company's industry;
- alignment of the compensation level of each individual to that individual's level of responsibility;
- the individual's performance, competencies, skills and achievements;
- alignment with corporate strategy; and
- contributions to corporate or segment performance.

Base Salary

The base salary review of any NEO will take into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not expected to be evaluated against a formal "peer group". The base salaries for NEOs of the Company as of the date hereof are:

- (a) Mehran Ehsan (CEO) – During the year ended September 30, 2021, Mr. Ehsan received \$149,806. Mr. Mehran's annual salary was increased to \$200,000 October 1, 2021 and further increased to \$250,000 effective as of May 1, 2022. During the year ended September 30, 2022, Mr. Ehsan received \$220,834.
- (b) Greg Montgomery (CFO) – \$50,000/year. During the years ended September 30, 2022, Mr. Montgomery received salaries of \$20,835.

Performance-Based Cash Bonuses

Cash bonuses are not a normal part of the Company's executive compensation. However, the Company may elect to utilize such incentives where the role-related context and competitive environment suggest that such a compensation modality is appropriate. When and if utilized, the amount of cash bonus compensation will normally be paid on the basis of timely achievement of specific pre-agreed milestones. Each milestone will be selected based upon consideration of its impact on shareholder value creation and the ability of the Company to achieve the milestone during a specific interval. The amount of bonus compensation will be determined based upon achievement of the milestone, its importance to the Company's near and long term goals at the time such bonus is being considered, the bonus compensation awarded to similarly situated executives in similarly situated companies or any other factors the Company may consider appropriate at the time such performance-based bonuses are decided upon.

Stock Options

The Company currently has the Option Plan in place for the purposes of attracting and motivating directors, officers, employees, and consultants of the Company and advancing the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Option Plan. Any grant of Options under the Option Plan is within the discretion of the Board, subject to the condition that the maximum number of Common Shares which

may be reserved for issuance under the Option Plan may not exceed 10% of the Company's issued and outstanding Common Shares.

Options are also an important component of aligning the objectives of the Company's employees with those of Shareholders. The Company expects to provide significant Option positions to senior employees and lesser amounts to lower-level employees.

See also "*Particulars of Matters to be Acted Upon at Meeting – Stock Option Plan*" for further information with respect to the material terms of the Option Plan.

Notwithstanding the above, the Company is still in the development stage and has an informal compensation program and strategy. The management team is committed to developing the operations of the Company and will establish a formal compensation program for directors and executive officers once it begins generating revenues sufficient to sustain operations. The Board is responsible for determining, by way of discussions at Board meetings, the ultimate compensation to be paid to the executive officers of the Company. The Company does not have a formal compensation program with set benchmarks; however, the performance of each executive will be considered along with the Company's ability to pay compensation and its results of operation for the period.

The Company relies solely on its Board to determine the executive compensation that is to be paid to NEOs and directors without any formal objectives, criteria, or analysis.

Pension Disclosure

The Company does not currently provide any pension plan benefits for executive officers, directors, or employees.

Director Compensation

To date, the Company has not paid any cash compensation to its independent directors. Eight directors of the Company have been granted a total of 44,166 Options. The Board monitors and reviews the salary and benefits of the executive officers of the Company.

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes certain information regarding compensation plans of the Company as at September 30, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (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 securityholders	84,583	\$13.26	108,677

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (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 not approved by securityholders	Nil	Nil	Nil
Total	84,583	\$13.26	108,677

(1) Represents the number of Common Shares available for issuance upon exercise of outstanding Options as at September 30, 2022.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of the Company, or any associate or affiliate of such person is or has ever been indebted to the Company; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as defined in National Instrument 51-102 - *Continuous Disclosure*) or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

AUDIT COMMITTEE

The members of the Company's Audit Committee are James Perry Bryan, John James Lendrum and Douglas Charles Urch. The Audit Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board, including overseeing the work of the independent auditors who report directly to the Audit Committee.

The specific responsibilities of the Audit Committee, among others, include:

- (a) evaluating the performance and assessing the qualifications of the independent directors and recommending to the Board and the shareholders the appointment of the Company's external auditor;
- (b) determining and approving the engagement of and compensation for audit and non-audit services of the Company's external auditor;
- (c) reviewing the Company's financial statements and management's discussion and

analysis of financial condition and results of operations and recommending to the Board whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board;

- (d) conferring with the Company's external auditor and with management regarding the scope, adequacy and effectiveness of internal financial reporting controls;
- (e) establishing procedures for the receipt, retention and treatment of complaints received by the Company regarding its accounting controls, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting and auditing matters; and
- (f) reviewing and discussing with management and the independent auditor, as appropriate, the Company's guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure and investment and hedging policies and the steps taken by management to monitor and control the Company's exposure to such risks.

Audit Committee Charter

The Audit Committee Charter is attached to this Circular as Schedule "B".

Composition of Audit Committee and Independence

The following are the members of the Audit Committee:

James Perry Bryan	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John James Lendrum	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Douglas Charles Urch (Chair)	Independent ⁽¹⁾	Financially literate ⁽¹⁾

(1) As defined under National Instrument 52-110 - *Audit Committees* ("NI 52-110").

Relevant Education and Experience

James Perry Bryan

Mr. Bryan has been involved in the energy and investment industries for more than five decades, serving as Chief Executive Officer and President of Gulf Canada Resources Limited (1995 - 1998), Chairman (1990 - 1997) and Chief Executive Officer of Nuevo Energy Company (1990 - 1995), Chief Executive Officer of Bellwether Exploration (1987 - 1997), First Vice President of E.F. Hutton & Company and Director of Investment Banking-Southwest Region (1978 - 1981), Chairman and Chief Executive Officer of Torch Energy Advisors, Inc. (1981 - 2012), President and Chief Executive Officer of The Mortgage Banque (1974 - 1978), Executive Vice President and Director of Dominick & Dominick, Inc. (1969 - 1974), and Vice President of Morgan Guaranty Trust Company (1966 - 1969). He received his B.A. from The University of Texas at Austin, his L.L.B. from The University of Texas Law School at Austin and his B.F.T. from the American Institute of Foreign Trade at Phoenix, Arizona.

John James Lendrum

Since 2015, Mr. Lendrum has served as the Non-Executive Chairman of Nuevo Midstream Dos, LLC. From 2012 to 2014, he served as the President, Chief Executive Officer and member of the board of directors

of Nuevo Midstream Company (“Nuevo”). Mr. Lendrum has a B.B.A. in Finance and completed his graduate studies in Accounting Theory at The University of Texas at Austin.

Douglas Charles Urch

Mr. Urch is the Executive Vice President and Chief Financial Officer of PetroTal Corp. since November 2019, and Chair of the Board from December 2017 to October 2019. He also served as the Executive Vice President, Finance and Chief Financial Officer of Bankers Petroleum Ltd. from February 2008 to September 2018.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*) of NI 52-110; or
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110; or
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the aggregate fees billed by the Company's external auditors, Marcum LLP, for the years ended September 30, 2021 and 2022:

Audit Service Fees	Year ended September 30, 2021 (CDN\$)	Year ended September 30, 2022 (CDN\$)
Audit Fees	Nil	Nil
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil

Audit Service Fees	Year ended September 30, 2021 (CDN\$)	Year ended September 30, 2022 (CDN\$)
All Other Fees	Nil	Nil
Total	Nil	Nil

The following table sets out the aggregate fees billed by the Company's former external auditors, Davidson & Company, LLP, for the years ended September 30, 2021 and 2022:

Audit Service Fees	Year ended September 30, 2021 (CDN\$)	Year ended September 30, 2022 (CDN\$)
Audit Fees	\$23,685	\$97,893
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	\$23,685	\$97,893

Exemption

The Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and considers the role of the individual members of management who are appointed by the Board and who are charged with day-to-day management of the Company.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Company is required to disclose its corporate governance practices, as summarized below. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

National Policy 58-201 – *Corporate Governance Guidelines* establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making. The Board has adopted a Code of Business Conduct and Ethics, which addresses, but is not limited to, the following issues:

- (a) conflicts of interest;
- (b) compliance with laws, rules, and regulations;
- (c) protection and proper use of corporate opportunities;

- (d) protection and proper use of corporate assets;
- (e) confidentiality of corporate information;
- (f) fair dealing with securityholders, customers, competitors, and employees; and
- (g) accuracy of business records.

Board of Directors

As of the date of hereof, the Board consists of eight directors: Mehran Ehsan, Greg Montgomery, Scott Kelly, Barry Whelan, Douglas Charles Urch, James Perry Bryan, John James Lendrum and Melissa Folz.

At this time, Douglas Charles Urch and Melissa Folz are considered to be "independent" within the meaning of NI 58-101 (by way of Section 1.4 of NI 52-110). Mehran Ehsan is not independent since he is the President and CEO of the Company; Gregory Montgomery is not independent since he is the CFO and Corporate Secretary of the Company; Scott Kelly is not independent since he is the former CFO and Corporate Secretary of the Company; and Barry Whelan is not independent since he is the COO of the Company

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Name of Director	Other Reporting Issuer	Name of Exchange or Market
Douglas Urch	Blue Moon Metals Corp.	TSXV
Scott Kelly	OpenSesame Acquisition Corp.	TSXV

Orientation and Continuing Education

Each new director of the Company is briefed about the nature of the Company's business, its corporate strategy and current issues within the Company. New directors will be encouraged to review the Company's public disclosure records as filed on under its profile at www.sedar.com. Directors are also provided with access to management to better understand the operations of the Company, and to the Company's legal counsel to discuss their legal obligations as directors of the Company.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics that is posted under the Company's profile at www.sedar.com.

The Board is also required to comply with the conflict of interest provisions of the BCBCA and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

Nomination of Directors

The Company's management is in contact with individuals involved in the oil and gas and other relevant sectors. From these sources management has made a number of contacts and in the event that the Company requires any new directors, such individuals will be brought to the attention of the Board. The Company will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to the Company, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Compensation

At present, the Board as a whole determines the compensation of the Company's CEO and CFO and does so with reference to industry standards and the financial situation of the Company. The Board has the sole responsibility for determining the compensation of the directors of the Company. See "*Statement of Executive Compensation – Oversight and Description of Director and Name Executive Officer Compensation*".

Given the Company's size, limited operating history and lack of revenues, the Board does not plan to form a compensation committee to monitor and review the salary and benefits of the executive officers of the Company at the present time. The Board will carry out these functions until such time as it considers the formation of a compensation committee to be warranted.

Other Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

Neither the Company nor the Board has developed a formal review system to assess the performance of the directors or the Board as a whole. The contributions of individual directors are monitored by other members of the Board on an informal basis through observation.

OTHER MATTERS TO BE ACTED UPON

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com, including additional financial information, which is provided in the Company's audited consolidated financial statements and management discussion & analysis for its most recently completed financial year. Shareholders may contact the Company at any time to receive a copy of the Company's audited consolidated financial statements and management discussion & analysis for its most recently completed financial year. Any such request should be made to the Chief Executive Officer of the

Company, Suite 500-666 Burrard Street, Vancouver, British Columbia V6C 2X8 or admin@permexpetroleum.com. The Company's audited consolidated financial statements and management discussion & analysis are also available on the Company's website www.permexpetroleum.com.

SCHEDULE "A"

CHANGE OF AUDITOR NOTICE

DAVIDSON & COMPANY LLP _____ Chartered Professional Accountants _____

November 4, 2022

Securities and Exchange Commission

100 F Street, N.E.
Washington, DC 20549

Ladies and Gentlemen:

We have read Item 4.01 of Form 8-K dated November 4, 2022 of Permex Petroleum Corporation (the "Company") and are in agreement with the statements contained in paragraphs 1, 2 and 3 on Page 2 therein. We have no basis to agree or disagree with the other statements of the registrant contained therein.

Yours very truly,

Davidson & Company LLP

DAVIDSON & COMPANY LLP
Chartered Professional Accountants



1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Davidson-co.com

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

1. **Composition**

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financial Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

2. **Meetings**

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company's auditors (the "Auditors") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

3. **Roles and Responsibilities**

The roles and responsibilities of the Audit Committee include the following:

External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

- (b) *Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) *Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- (d) *Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) *Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) *Responsibility for Oversight.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) *Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (a) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (b) *Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (c) *MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (d) *Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (a) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (b) *Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (c) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

- (d) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (e) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

Complaints

- (a) *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (b) *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

4. Authority

- (a) *Auditor.* The Auditor, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) *Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

5. Reporting

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.