



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 NOVEMBER 4, 2024**

Dated as of September 30, 2024

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

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 4, 2024**

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 15th Floor, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, on Monday, November 4, 2024 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 year ended September 30, 2023 and 2022, together with the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at three (3);
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 advisable, to pass a resolution as set forth in the accompanying information circular (the "**Circular**") approving the long-term incentive plan for the Company; and
6. to transact such further or other business as may properly come before the Meeting and any adjournment(s) thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular, which accompanies this Notice of Meeting.

The board of directors of the Company has fixed the record date for the Meeting at the close of business on September 30, 2024 (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 30th day of September, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Brad Taillon"

Brad Taillon
President, Chief Executive Officer and Director

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**INFORMATION CIRCULAR
OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 4, 2024**

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 15th Floor, 1111 West Hastings Street, Vancouver, British Columbia at 10:00 a.m. (Pacific Time) on November 4, 2024, 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 September 30, 2024 (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 September 30, 2024, unless otherwise specified.

Voting Shares and Principal Holders thereof

As at the date of this Circular, 551,503 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 September 30, 2024 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 the holders of thirty-three and one-third percent (33 and 1/3%) of the Company's issued shares entitled to vote thereat, present in person or represented by proxy.

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 Lendrum	55,209 ⁽²⁾	10.01%

(1) Based on 551,503 Common Shares issued and outstanding.

(2) Represents (i) 29,167 Common Shares owned by Petro Americas Resources, LLC, (ii) 26,042 Common Shares owned by Rockport Permian, LLC, (iii) 13,021 Common Shares issuable upon exercise of warrants owned by Rockport Permian, LLC and (iv) 14,583 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.

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 Long-term Incentive Plan (as defined and described under "*Particulars of Matters to be Acted Upon at Meeting – Long-term Incentive Plan*") as such persons are eligible to participate in such incentive 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, 2023 and 2022 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.sedarplus.ca. 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 three. **In the absence of instructions to the contrary, the enclosed proxy will be voted to set the number of directors of the Company at three (3).**

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 three 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
<p>Brad Taillon ⁽¹⁾ <i>Salina, Kansas</i> <i>June 12, 2024</i></p>	<p>President, Chief Executive Officer and Director</p>	<p>Vice-President of Finance of Ruckus Energy, an oil and gas exploration and development company, (August 2019 to April 2024); and President and Chief Executive Officer of Permex Petroleum, a junior oil and gas company, (April 2024 to present).</p> <p>Mr. Taillon’s experience in junior Oil & Gas operations includes working as a senior manager at the corporate level as well as in the field as a Registered Professional Landman with the AAPL. Brad recently led the M&A initiative for Ruckus Energy, a private Permian Basin focused junior Oil & Gas company, where he played an instrumental role growing their assets from zero to greater than \$130m in 1P reserves. Prior to Ruckus Energy, Brad oversaw the M&A initiative at Lilis Energy, Inc., a US publicly listed junior Oil & Gas company also focused on the Permian Basin and contributed to Lilis’s success by more than doubling its acreage position in the highly competitive Delaware Basin while the company’s market capitalization grew from approximately \$3 million to \$550 million in a period of less than 2 years. Prior to Brad’s appointment at Permex Petroleum as President and CEO, he recently served as the Company’s Vice President of Finance.</p>	<p>Nil</p>
<p>Richard Little ⁽¹⁾ <i>Houston, Texas</i> <i>August 26, 2024</i></p>	<p>Director</p>	<p>Chief Executive Officer of Ajax Resources, LLC, an oil and gas company, (January 2018 to January 2019); Chief Executive Officer of Battalion Oil Corporation, an oil and gas company, (June 2019 to April 2023); and Chief Executive Officer of Fury Resources, Inc., an oil and gas company, (December 2023 to present).</p> <p>Mr. Little is the current CEO of private operator, Fury Resources. Before Fury Resources, Mr. Little was the CEO of public operator Battalion Oil Company (NYSE: BATL). He possesses more than a quarter century of industry experience, and has led successful ventures, including a \$1.24B asset sale at Ajax Resources, LLC. His career journey spans roles such as VP of EP Energy’s Southern Division and leadership positions at El Paso Exploration and Production.</p>	<p>Nil</p>

Name, Municipality of Residence and Date First became a Director	Office	Principal Occupation	Common Shares Beneficially Owned or Controlled
Kevin Nanke ⁽¹⁾ <i>Westminster, Colorado</i> <i>August 26, 2024</i>	Director	President and Owner of KN Consulting Inc. (January 2000 to present); Manager and Owner of Nanke Group LLC (June 2014 to present); Chief Financial Officer of Ruckus Energy, an oil and gas exploration and development company, (June 2022 to present). Mr. Nanke has served in diverse finance and accounting executive positions in the oil and gas industry for more than 30 years. Mr. Nanke previously served as Treasurer and Chief Financial Officer of Delta Petroleum Corporation. Mr. Nanke helped raise \$1.4 billion in public and private financings and was instrumental in preserving a \$1.3 billion tax loss carryforward when the Company successfully completed a reorganization and emerged as Par Petroleum Corporation. Prior to joining Delta, Mr. Nanke was employed by KPMG LLP, a leading global audit, tax and advisory firm.	Nil

(1) Member of the Audit Committee.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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.

Appointment of Auditors

At the Meeting, 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.

Approval of Long-Term Incentive Plan

The Board has approved the adoption of a new "rolling up to 20%" long-term incentive plan (the "**Long-Term Incentive Plan**") to replace the Company's existing "rolling up to 10%" stock option plan (the "**Current Plan**"). The Current Plan became effective on November 27, 2017. The Company is now seeking shareholder approval to approve the Long-Term Incentive Plan in accordance with Canadian Securities Exchange (the "**Exchange**") Policy 6 – *Distributions and Corporate Finance*.

The Company believes it would be prudent to adopt the Long-Term Incentive Plan in order to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons; (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company, in each case as applicable to the type of Eligible Person to whom an Award is granted.

Summary of the Long-Term Incentive Plan

The following is a summary of the key provisions of the Long-Term Incentive Plan. The following summary is qualified in all respects by the full text of the Long-Term Incentive Plan, a copy of which is attached hereto as Schedule "A".

All capitalized terms used but not defined in this section have the meaning ascribed thereto in the Long-Term Incentive Plan.

The Long-Term Incentive Plan shall provide for the award of Restricted Share Units ("**RSUs**"), Performance Share Units ("**PSUs**"), Deferred Share Units ("**DSUs**") and options to purchase Shares ("**Options**" and together with RSUs, PSUs, and DSUs, "**Awards**") to Directors, Officers, Employees,

Management Company Employees, Consultants (as such terms are defined by the Long-Term Incentive Plan) of the Company or a subsidiary of the Company and Eligible Charitable Organizations (as such term is defined by the Long-Term Incentive Plan and collectively, the "**Eligible Persons**"), as further described in the following summary. The RSUs, PSUs, DSUs and Options issuable to any Participant under the Long-Term Incentive Plan, or in the case of Options, any pre-existing stock option plan of the Company, shall be hereinafter referred to as "**Incentive Securities**".

Plan Administration

The Long-Term Incentive Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on any Participants of the Long-Term Incentive Plan and the Company, subject to any required approval of the Exchange.

Shares Available for Awards

The maximum aggregate number of Shares issuable in respect of all Incentive Securities granted or issued under the Company's Security Based Compensation Plans, at any point, shall not exceed:

- a) with respect to a grant of Options, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time; and
- b) with respect to a grant of DSUs, RSUs and PSUs, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time.

For greater certainty, this limitation applies to all Incentive Securities granted or issued under the Company's Security Based Compensation Plans at any point in time, including those held by Related Persons (as a group) at any point in time.

For the purposes of calculating the number of Shares reserved for issuance under the Long-Term Incentive Plan, each Option shall be counted as reserving one Share under the Long-Term Incentive Plan, and notwithstanding that the settlement and/or exercise of any RSU, DSU and PSU may be completed in cash, each RSU, DSU and PSU shall, in each case, be counted as reserving one Share under the Long-Term Incentive Plan.

As Long-Term Incentive Plan is an evergreen plan, the number of Incentive Securities issuable under thereunder will replenish in an amount equal to the number of Shares issued pursuant to the exercise or vesting, as applicable, of such Incentive Securities at any point in time. Any Shares related to Awards which have been settled in cash, cancelled, surrendered, forfeited, expired or otherwise terminated without the issuance of such Shares shall be available again for granting Awards under the Long-Term Incentive Plan.

Participation Limits

The Long-Term Incentive Plan provides the following limitations on grants:

- a) The maximum aggregate number of Shares issuable to any one Related Person at any point in time in respect of all Incentive Securities granted or issued under Security Based Compensation

Plans shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis, calculated at the date an Award is granted to the Related Person, unless the Company has obtained the requisite disinterested shareholder approval;

- b) The maximum aggregate number of Shares issuable to all Related Persons at any point in time in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to a Related Person, unless the Company has obtained the requisite disinterested shareholder approval;
- c) The maximum aggregate number of Shares issuable to any one Related Person and the Associates of the Related Person in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed five (5%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to such Related Person, unless the Company has obtained the requisite disinterested shareholder approval;
- d) The maximum aggregate number of Shares issuable to all Related Persons in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed ten (10%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to a Related Person, unless the Company has obtained the requisite disinterested shareholder approval; and
- e) The maximum aggregate number of Shares issuable to all Investor Relations Service Providers in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed two (2%) of the issued and outstanding Shares on a non-diluted basis, calculated on the date an Award is granted to an Investor Relations Service Provider.

Eligibility and Participation

Subject to the provisions of the Long-Term Incentive Plan (including, without limitation, restrictions on grants to Investor Relations Service Providers) and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs, PSUs, DSUs and Options to all categories of Eligible Persons, except that Eligible Charitable Organizations shall only be entitled to receive Options.

Description of RSUs

A RSU is a right awarded to a Participant to receive payment in Shares in accordance with the Long-Term Incentive Plan. Upon settlement, contingent upon the lapse of any restrictions, each RSU entitles the recipient Participant to receive a number of Shares equal to the number of RSUs credited to a Participant's Account on vesting dates.

RSUs shall be subject to such restrictions as the Board, in its discretion, may establish or determine in the applicable Award Agreement or at the time an Award is granted. Unless otherwise provided for in an Award Agreement, all RSUs will vest and become payable by the issuance of Shares at the end of the restricted period as specified by the Board in the applicable Award Agreement. Unless otherwise

determined by the Board, upon the occurrence of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested.

Effect of Termination on RSUs

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Long-Term Incentive Plan, RSUs shall be subject to the following conditions:

Death: Upon death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Long-Term Incentive Plan.

Termination of Employment or Service for Cause: Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to such Participant will immediately terminate without payment and be automatically forfeited and cancelled.

Termination of Employment or Service for Cause, Voluntary Termination, or Retirement: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, or due to Retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any RSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. Any RSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

Disability: Where a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under the Long-Term Incentive Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions of the Long-Term Incentive Plan, all RSUs granted to the Participant under the Long-Term Incentive Plan that had not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant that, prior to the Participant's termination due to Disability, had vested pursuant to term of the applicable Award Agreement will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

Directorships: Where a Participant ceases to be a Director for any reason, any RSUs granted to such Participant which, prior to cessation, have not vested, will immediately terminate without payment, be forfeited and cancelled. Any RSUs granted to such Participant, which prior to cessation, have vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

Description of PSUs

A PSU is an Award that is awarded based on the attainment of performance criteria within a certain period, which criteria and period shall be selected, settled and determined by the Board. An Award Agreement may provide the Board with the right during a Performance Cycle or after it has ended, to revise Performance Criteria and Award amounts if unforeseen events occur.

All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for a Performance Cycle, as determined by the Board. Unless otherwise determined by the Board, upon the occurrence of a Change of Control event, all PSUs shall become fully vested.

Effect of Termination on PSUs

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Long-Term Incentive Plan, PSUs shall be subject to the following conditions:

Death: Upon death of a Participant, any PSUs granted to such Participant which, prior to the Participant's death, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to the Participant's death, had vested, will accrue to the Participant's estate in accordance with the provisions of the Long-Term Incentive Plan.

Termination of Employment or Service for Cause: Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to such Participant will immediately terminate without payment and be automatically forfeited and cancelled.

Termination of Employment or Service for Cause, Voluntary Termination or Retirement: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, or due to Retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any PSUs granted to such Participant which, prior to termination, had not vested, will be immediately and automatically forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to termination, had vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

Disability: Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under the Long-Term Incentive Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions of the Long-Term Incentive Plan, all PSUs granted to the Participant under the Long-Term Incentive Plan that have not vested will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with the Long-Term Incentive Plan.

Directorships: Where a Participant ceases to be a Director for any reason, any PSUs granted to such Participant which, prior to cessation, had not vested, will immediately terminate without payment, be forfeited and cancelled. However, the Board may determine that certain PSUs have vested based on the

extent which Performance Criteria have been satisfied in that portion of the Performance Cycle that has lapsed. Any PSUs granted to such Participant, which prior to cessation, had vested, will accrue to the Participant in accordance with the provisions of the Long-Term Incentive Plan.

Description of DSUs

A DSU is an Award that is payable after the effective date that a Participant ceases to be an Eligible Person under the Long-Term Incentive Plan, subject to certain vesting criteria. Unless otherwise determined by the Board, upon the occurrence of a Change of Control event, all DSUs shall become fully vested.

The payment of DSUs will occur on the date that is designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day, or such earlier date as the Participant and Company may agree. If no notice is given by the Participant for a designated day, the DSUs shall be payable on the first anniversary of the date on which the Participant ceases to be an Eligible Person for any reason or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant.

Election by Directors – DSUs

Under the Long-Term Incentive Plan, Directors may elect to receive directorship fees in the form of DSUs, which election must be made within certain timeframes as specified in the Long-Term Incentive Plan. In case of an election by a Director, the number of DSUs to be credited shall be determined by dividing applicable directorship fees with the Market Price on the Grant Date of the DSUs or if more appropriate, another trading range that best represents the period for which the DSUs were earned (subject to minimum pricing requirements under Exchange policies). No fractional DSUs shall be credited to any Director.

Description of Options

An Option is an Award that gives a Participant the right to purchase one Share at a specified price in accordance with the terms of the Option and the Long-Term Incentive Plan. The exercise price of the Options shall be determined by the Board at the time the Option is granted but in no event shall such exercise price be lower than the Market Price permitted by the Exchange.

The Board shall determine the vesting, performance and other conditions, if any, that must be satisfied before all or part of an Option may be exercised. Unless otherwise determined by the Board, upon the occurrence of a Change of Control event, all Options shall become fully vested.

Options will be exercised pursuant to their applicable Award Agreement, which exercise shall be contingent upon receipt by the Company of a written notice of exercise set forth in the applicable Award Agreement and of a form of cash payment acceptable to the Company for the full purchase price of the Shares to be issued. In the event that the expiry date of an Option falls during a Blackout Period, the expiry date of such Option shall automatically be extended to a date which is ten (10) Trading Days following the end of such Blackout Period, subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) Trading Days following the end of the last imposed Blackout Period.

Effect of Termination on Options

Except as otherwise set forth in an applicable Award Agreement and subject to the provisions of the Long-Term Incentive Plan, Options shall be subject to the following conditions:

Death: Upon death of a Participant, any Options held by such Participant at the date of death shall be exercisable (by an inheritor or the Participant's estate) for a period of 120 days after the date of death or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of death of such Participant.

Termination of Employment or Service for Cause: Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Option shall be exercisable from the date of termination as determined by the Board.

Termination of Employment or Service for Cause, Voluntary Termination or Retirement: Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination, due to Retirement, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Options held by such Participant at the date of termination shall be exercisable for a period of 90 days after the date of termination determined by the Board or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of termination.

Disability: Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under the Long-Term Incentive Plan will continue to vest in accordance with the terms of such Options. Where a Participant's employment or consulting agreement is terminated by the Company or a subsidiary of the Company due to disability, any Options held by such Participant at the date of termination shall be exercisable for a period of 120 days after the date of termination determined by the Board or prior to the expiration of the Option, whichever is sooner, only to the extent the Participant was entitled to exercise the Option at the date of termination.

Directorships: Where a Participant ceases to be a Director for any reason, any Options held by such Participant on the Cessation Date shall be exercisable for a period of 90 days (120 days in the event the Participant is afflicted with a Disability) after the Cessation Date or prior to the expiration of the Option, whichever is sooner, only to the extent the Director was entitled to exercise the Option at the Cessation Date.

Eligible Charitable Organizations: Where, in the case of Eligible Charitable Organizations, a Participant ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, any Options held by such Participant on the Cessation Date shall be exercisable for a period of 90 days after the Cessation Date or prior to the expiration of the Option, whichever is sooner, only to the extent the Eligible Charitable Organization was entitled to exercise the Option at the Cessation Date.

Non-Transferability of Awards

No Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any

purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company.

Shareholder Approval of the Long-Term Incentive Plan

The Company must obtain shareholder approval of the Long-Term Incentive Plan: (i) within three years after institution; and (ii) within every three years thereafter.

Amendment and Termination of the Long-Term Incentive Plan

The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue the Long-Term Incentive Plan and may amend the terms and conditions of any Awards granted thereunder, subject to (a) any required approval of any applicable regulatory authority or Exchange, and (b) any required approval of shareholders in accordance with the rules and policies of the Exchange or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:

- a) amendments to fix typographical errors;
- b) amendments to clarify existing provisions of the Long-Term Incentive Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- c) amendments that are necessary to comply with applicable law or the requirements of the Exchange.

If the Long-Term Incentive Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

Amendments and Cancellation of Awards

In accordance with the policies of the Exchange, the terms of an Award may not be amended once issued, unless otherwise approved by the Exchange and subject to compliance with applicable laws. In the event Exchange approval is received for the amendment of an Award, no amendment shall be made which would impair the rights of any Participant, without such Participant's consent, provided that no such consent shall be required if the amendment is: (a) either required or advisable in respect of compliance with any law, regulation or requirement of any accounting standard; or (b) not reasonably likely to significantly diminish the benefits provided under such Award. In accordance with the policies of the Exchange, if an Award is cancelled prior to its expiry date, the Company shall not grant new Awards to the same Participant until 30 days have elapsed from the date of cancellation.

Long-Term Incentive Plan Resolution

At the Meeting, the following resolution (the “**Long-Term Incentive Plan Resolution**”), with or without variation, will be placed before the shareholders:

BE IT RESOLVED, as an ordinary resolution of the Company's shareholders, that:

- a) the rolling up to 20% long-term incentive plan of the Company (the “**Long-Term Incentive Plan**”), substantially in the form attached to the Information Circular of the Company dated September 30, 2024 (the “**Information Circular**”) as Schedule “A” is hereby approved and confirmed as the long-term incentive plan of the Company;
- b) in accordance with the policies of the Canadian Securities Exchange (“**Exchange**”), the Company will seek shareholder approval of the Long-Term Incentive Plan within three years from the date this resolution is approved;
- c) the Board or any director or officer is authorized to make amendments to the Long-Term Incentive Plan from time to time as required or deemed necessary by the Exchange or as the Board, or director or officer may, in its sole discretion, deem to be necessary, advisable or desirable, provided that such amendments are in compliance with the policies of the Exchange and applicable laws and will be subject to the approval of all applicable regulatory authorities; and
- d) any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary, advisable or desirable to carry out the terms of the foregoing resolutions.

Management recommends that shareholders vote in favour of the Long-Term Incentive Plan Resolution. **In the absence of instructions to the contrary, the enclosed form of proxy will be voted FOR the Long-Term Incentive Plan Resolution.**

STATEMENT OF EXECUTIVE COMPENSATION

Director and NEO compensation, excluding compensation securities

For the purposes of this Statement of Executive Compensation, a “Named Executive Officer” or “NEO” means each of the following individuals:

- (a) the Chief Executive Officer of the Company (“**CEO**”);
- (b) the Chief Financial Officer of the Company (“**CFO**”);
- (c) the most highly compensated executive officer of the Company other than the individuals identified in paragraphs (a) and (b) above, at September 30, 2023, whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) above, but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at September 30, 2023,

(collectively, the “Named Executive Officers” or “NEOs”).

For the years ended September 30, 2023 and 2022, each of Mehran Ehsan, former President, former CEO and former director, Gregory Montgomery, CFO, and Scott Kelly, former CFO and Corporate Secretary, were NEOs of the Company for the purposes of this disclosure.

The following table sets forth, for the years ended September 30, 2023 and 2022, 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.

All references to “USD” or “\$” are to the legal currency of the United States, and all references to “CAD\$” and “C\$” are to the legal currency of Canada.

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⁾ Former President, former CEO and former director	2023	250,000	Nil	Nil	Nil	Nil	250,000
	2022	220,834	Nil	Nil	Nil	Nil	220,834
Greg Montgomery ⁽⁶⁾ CFO, Corporate Secretary and former director	2023	50,000	Nil	Nil	Nil	Nil	50,000
	2022	20,835	Nil	Nil	Nil	Nil	20,835
Scott Kelly ⁽⁴⁾ Former CFO, Former Corporate Secretary and former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	9,360	Nil	Nil	Nil	Nil	9,360
Barry Whelan ⁽⁵⁾ Former Chief Operating Officer and former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
James Perry Bryan ⁽⁷⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
John James Lendrum ⁽⁷⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Charles Urch ⁽⁸⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Melissa Folz ⁽⁹⁾ Former director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	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 former director of the Company but did not receive any compensation in such capacity. Mr. Ehsan was appointed as a director of the Company on April 24, 2017. Mr. Ehsan resigned as President and CEO of the Company on April 29, 2024 and from the Board on June 12, 2024. Effective May 15, 2024, Mr. Ehsan served as the Company's Vice President of Business Development until his employment contract was terminated by the Company effective August 30, 2024.
- (4) Mr. Kelly is a former director of the Company but did 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 and from the Board on September 12, 2023.
- (5) Mr. Whelan is a former director of the Company but did not receive any compensation in such capacity. Mr. Whelan was appointed as a director of the Company on April 24, 2017 and resigned on June 12, 2024.
- (6) Mr. Montgomery is a former director of the Company but did not receive any compensation in such capacity. 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. Mr. Montgomery resigned from the Board on April 24, 2023.
- (7) Mr. Bryan and Mr. Lendrum were appointed directors the Company on September 30, 2021. Mr. Bryan resigned on June 12, 2024 and Mr. Lendrum resigned on June 20, 2024.
- (8) Mr. Urch was appointed as a director of the Company on November 1, 2018 and resigned on June 20, 2024.
- (9) Ms. Folz was appointed as a director of the Company on October 24, 2022 and resigned on May 30, 2024.

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, 2023 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 ⁽²⁾ Former President, former CEO and former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Greg Montgomery ⁽³⁾ CFO, Corporate Secretary and former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Barry Whelan ⁽⁴⁾ Chief Operating Officer and former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Douglas Charles Urch ⁽⁵⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scott Kelly ⁽⁶⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Perry Bryan ⁽⁷⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Melissa Folz ⁽⁸⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John James Lendrum ⁽⁹⁾ Former director	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(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.

(2) As of the date of the most recently completed financial year, Mr. Ehsan held 5,938 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.

(3) As of the date of the most recently completed financial year, Mr. Montgomery held 1,875 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.

(4) As of the date of the most recently completed financial year, Mr. Whelan held 3,333 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.

- (5) As of the date of the most recently completed financial year, Mr. Urch held 3,542 Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (6) As of the date of the most recently completed financial year, Mr. Kelly held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (7) As of the date of the most recently completed financial year, Mr. Bryan held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (8) As of the date of the most recently completed financial year, Ms. Folz held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.
- (9) As of the date of the most recently completed financial year, Mr. Lendrum held nil Options, with each Option exercisable into one Common Share and fully vested at the date of grant.

The following table discloses details regarding each exercise of Compensation Securities by a director or NEO during the year ended September 30, 2023.

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 Former President, former CEO and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Greg Montgomery CFO, Corporate Secretary and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Barry Whelan Chief Operating Officer and former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Charles Urch Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Scott Kelly Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Perry Bryan Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Melissa Folz Former director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

John James Lendrum	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Former director							

Stock Option Plans and Other Incentive Plan

For information about the material terms of the Long-Term Incentive Plan, please refer to the heading *“Particulars of Matters to be Acted Upon at Meeting – Approval Long-Term Incentive Plan”*.

Employment, Consulting and Management Agreements

Other than as set forth below, for the year ended September 30, 2023, the Company did 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 employed 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 was reviewed by the Company annually. Mr. Ehsan was 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 CEO Employment Agreement provided for termination of Mr. Ehsan’s employment at any time for cause, by written notice and 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 was 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 had 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 his benefits for that period. If the Company elects for payment in lieu of notice, then Mr. Ehsan's employment shall terminate immediately upon such payment.

If the Company determined 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.

Mr. Ehsan resigned as President and CEO of the Company on April 29, 2024. On May 15, 2024, the Company amended the employment agreement to change his role to Vice President of Business Development. On August 30, 2024, the Company terminated Mr. Ehsan's employment agreement.

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.

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, Awards 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 Awards grants to be made pursuant to the Long-Term Incentive 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 – Approval of Long-Term Incentive Plan*" for further information with respect to the material terms of the Long-Term Incentive 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 Long-Term Incentive 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 Long-Term Incentive Plan. Any grant of Options under the Long-Term Incentive 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 Long-Term Incentive Plan may not exceed 20% 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 – Approval of Long-Term Incentive Plan*" for further information with respect to the material terms of the Long-Term Incentive 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 or equity compensation to its independent directors. 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, 2023.

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	20,313	73.28	34,837
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	20,313	73.28	34,837

(1) Represents the number of Common Shares available for issuance upon exercise of outstanding Options as at September 30, 2023.

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 Kevin Nanke (Chair), Brad Taillon and Richard Little. 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 hereto as Schedule "B".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Brad Taillon	Non-Independent	Financially literate ⁽¹⁾
Richard Little	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Kevin Nanke (Chair)	Independent ⁽¹⁾	Financially literate ⁽¹⁾

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

Relevant Education and Experience

Brad Taillon

Mr. Taillon's experience in junior Oil & Gas operations includes working as a senior manager at the corporate level as well as in the field as a Registered Professional Landman with the AAPL. Brad recently led the M&A initiative for Ruckus Energy, a private Permian Basin focused junior Oil & Gas company, where he played an instrumental role growing their assets from zero to greater than \$130m in 1P reserves. Prior to Ruckus Energy, Brad oversaw the M&A initiative at Lilis Energy, Inc., a US publicly listed junior Oil & Gas company also focused on the Permian Basin, and contributed to Lilis's success by more than doubling its acreage position in the highly competitive Delaware Basin while the company's market capitalization grew from approximately \$3 million to \$550 million in a period of less than 2 years. Prior to Brad's appointment at Permex Petroleum as President and CEO, he recently served as the Company's Vice President of Finance. Brad holds a Bachelor of Business Administration in International Economics and an MBA in International Finance from Fort Hays State University.

Richard Little

Mr. Little is the current CEO of private operator, Fury Resources. Before Fury Resources, Mr. Little was the CEO of public operator Battalion Oil Company (NYSE: BATL). He possesses more than a quarter century of industry experience, and has led successful ventures, including a \$1.24B asset sale at Ajax Resources, LLC. His career journey spans roles such as VP of EP Energy's Southern Division and leadership positions at El Paso Exploration and Production. Richard holds a Petroleum Engineering degree from Texas A&M, is a licensed engineer (inactive), and is engaged with industry organizations like SPE, API, and IPAA.

Kevin Nanke

Mr. Nanke has served in diverse finance and accounting executive positions in the oil and gas industry for more than 30 years. Mr. Nanke previously served as Treasurer and Chief Financial Officer of Delta Petroleum Corporation. Mr. Nanke helped raise \$1.4 billion in public and private financings and was instrumental in preserving a \$1.3 billion tax loss carryforward when the Company successfully completed a reorganization and emerged as Par Petroleum Corporation. Prior to joining Delta, Mr. Nanke was employed by KPMG LLP, a leading global audit, tax and advisory firm. Mr. Nanke received a Bachelor of Arts degree in Accounting from the University of Northern Iowa in 1989 and is a Certified Public Accountant (inactive).

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 (By Category)

The following table sets out the aggregate fees billed by the Company's external auditors, Marcum LLP, for the years ended September 30, 2023 and 2022:

Audit Service Fees	Year ended September 30, 2023 (CDN\$)	Year ended September 30, 2022 (CDN\$)
Audit Fees	530,390	Nil
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil

Audit Service Fees	Year ended September 30, 2023 (CDN\$)	Year ended September 30, 2022 (CDN\$)
All Other Fees	Nil	Nil
Total	530,390	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, 2023 and 2022:

Audit Service Fees	Year ended September 30, 2023 (CDN\$)	Year ended September 30, 2022 (CDN\$)
Audit Fees	Nil	\$97,893
Audit Related Fees	\$111,980	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	\$111,980	\$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

Board of Directors

The board of directors of the Company (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.

As of the date hereof, the Board consists of three directors: Brad Taillon, Richard Little and Kevin Nanke.

Richard Little and Kevin Nanke were considered to be "independent" within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") (by way of Section 1.4 of NI 52-110). Brad Taillon is not independent as he is the CEO of the Company.

Directorships

No directors of the Company also serve as directors of other reporting issuers.

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.sedarplus.ca. 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.sedarplus.ca. The Board is also required to comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) 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

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.

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.sedarplus.ca , 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"
LONG-TERM INCENTIVE PLAN
PERMEX PETROLEUM CORPORATION
(the "Company")

Long-Term Incentive Plan

SECTION 1 ESTABLISHMENT AND PURPOSE OF THE PLAN

The Company wishes to establish this long-term incentive plan ("**Plan**"). The purpose of this Plan is to promote the long-term success of the Company and the creation of shareholder value by: (a) encouraging the attraction and retention of Eligible Persons (as such term is defined below); (b) encouraging such Eligible Persons to focus on critical long-term objectives; and (c) promoting greater alignment of the interests of such Eligible Persons with the interests of the Company, in each case as applicable to the type of Eligible Person to whom an Award is granted.

This Plan provides for the grant of Restricted Share Units, Performance Share Units, Deferred Share Units and Options to Eligible Persons, as further described herein.

This Plan is a "**rolling up to 20%**" security based compensation plan, permitting outstanding Incentive Securities in a maximum aggregate amount that is equal to twenty percent (20%) of the issued and outstanding Shares at the date of any Award, pursuant to which (i) the aggregate number of Shares that are issuable pursuant to the exercise of Options granted under this Plan or pursuant to any other Security Based Compensation Plan (as such term is defined below) shall not exceed ten percent (10%) of the issued and outstanding Shares as at the date of any Option grant; and (ii) the aggregate number of Shares that are issuable pursuant to the settlement of RSUs, PSUs and DSUs granted under this Plan or pursuant to any other Security Based Compensation Plan shall not exceed ten percent (10%) of the issued and outstanding Shares as at the date of any grant of RSUs, PSUs or DSUs.

SECTION 2 DEFINITIONS

As used in this Plan, the following terms shall have the meanings set forth below:

- (a) "**Award**" means any award of RSUs, PSUs, DSUs or Options granted under this Plan or, in the case of Options, any pre-existing stock option plan of the Company;
- (b) "**Award Agreement**" means any written agreement, contract, or other instrument or document, including an electronic communication, as may from time to time be designated by the Company as evidencing any Award granted under this Plan;
- (c) "**Board**" means the board of directors of the Company;
- (d) "**Blackout Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of publicly undisclosed confidential information pertaining to the Company;

- (e) **"Cessation Date"** means the effective date on which a Participant ceases to be an Eligible Person for any reason;
- (f) **"Change of Control"** means the occurrence of any one or more of the following events:
 - (i) a reorganization, amalgamation, merger, acquisition or other business combination (or a plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its affiliates, with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
 - (ii) the sale, exchange or other disposition to a person other than an affiliate of the Company of all, or substantially all of the Company's assets;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
 - (iv) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change; or
 - (v) any person, entity or group of persons or entities acting jointly or in concert (an **"Acquiror"**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Company which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Company's outstanding Voting Securities which may be cast to elect directors of the Company or the successor Company (regardless of whether a meeting has been called to elect directors);

For the purposes of the foregoing, **"Voting Securities"** means Shares and any other shares entitled to vote for the election of directors and shall include any security, whether or not issued by the Company, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities;

- (g) **"Charitable Organization"** means "charitable organization" as defined in the Tax Act;

- (h) **"Committee"** means such committee of the Board performing functions in respect of compensation as may be determined by the Board from time to time;
- (i) **"Company"** means Permex Petroleum Corporation, a company incorporated under the *Business Corporations Act* (British Columbia), and any of its successors;
- (j) **"Consultant"** means, in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or of any subsidiary of the Company) or entity that:
 - (i) is engaged to provide services to the Company or any subsidiary of the Company, other than services provided in relation to a distribution (as such term defined in the Securities Act);
 - (ii) provides the services under a written contract with the Company or any subsidiary of the Company; and
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any subsidiary of the Company;
- (k) **"Deferred Share Unit" or "DSU"** means a right to receive on a deferred basis a payment in Shares as provided in Section 5.3 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (l) **"Determination Date"** means a date determined by the Board in its sole discretion but not later than 90 days after the expiry of a Performance Cycle;
- (m) **"Director"** means a director of the Company or a subsidiary of the Company, or an individual performing a similar function or occupying a similar position for the Company or a subsidiary of the Company;
- (n) **"Disability"** means any disability with respect to a Participant which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Participant from:
 - (i) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (ii) acting as a Director or Officer;
- (o) **"DSU Payment Date"** has the meaning set out in Subsection 5.3.5;
- (p) **"Effective Date"** has the meaning set out in Section 8;
- (q) **"Election Form"** means the form to be completed by a Director specifying the amount of Fees he or she wishes to receive in DSUs under this Plan;

- (r) **"Eligible Charitable Organization"** means:
- (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or
 - (ii) a Registered National Arts Service Organization;
- (s) **"Eligible Person"** means a Director, Officer, Employee, Management Company Employee, Consultant of the Company or a subsidiary of the Company or Eligible Charitable Organization;
- (t) **"Employee"** means:
- (i) an individual who is considered an employee of the Company or a subsidiary of the Company under the Tax Act and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or a subsidiary of the Company over the details and methods of work as an employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or a subsidiary of the Company on a continuing and regular basis, providing services normally provided by an employee and who is subject to the same control and direction by the Company or a subsidiary of the Company over the details and methods of work as an employee of the Company or the subsidiary, as the case may be, but for whom income tax deductions are not made at source.
- (u) **"Exchange"** means the Canadian Securities Exchange, and, if applicable, any other stock exchange on which the Shares are listed;
- (v) **"Extension Period"** has the meaning set out in Section 5.4.5;
- (w) **"Fees"** means the annual board retainer, chair fees, meeting attendance fees or any other fees payable to a Director by the Company;
- (x) **"Grant Date"** means, for any Award, the date specified in an Award Agreement as the date on which an Award is granted;
- (y) **"Incentive Securities"** means the Options, DSUs, RSUs and PSUs issuable to any Participant under this Plan or, in the case of Options, any pre-existing stock option plan of the Company;
- (z) **"Initial Shareholder Approval"** has the meaning set out in Section 8;

- (aa) **"Investor Relations Activities"** means "Investor Relations Activities" as defined in Policy 1 of the Canadian Securities Exchange;
- (bb) **"Investor Relations Service Provider"** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (cc) **"Management Company Employee"** means an individual employed by a company providing management services to the Company, which services are required for the ongoing successful operation of the business enterprise of the Company;
- (dd) **"Market Price"** means the market price per Share as determined by the Board, provided that if the Company is listed on an Exchange, such price shall not be less than the minimum price permitted by such Exchange and, while the Company is listed on the Canadian Securities Exchange such price shall not be less than the greater of: (i) \$0.05; (ii) the closing market price per Share on the Trading Day prior to the Grant Date; and (iii) the closing market price per Share on the Grant Date, with respect to the pricing of Options.
- (ee) **"Officer"** means:
- (i) the chair or vice chair of the board of directors, or the chief executive officer, chief operating officer, chief financial officer, president, vice president, secretary, assistant secretary, treasurer, assistant treasurer or general manager of the Company or a subsidiary of the Company;
 - (ii) an individual who is designated as an officer under a bylaw or similar authority of the Company or a subsidiary of the Company, or
 - (iii) an individual who performs functions similar to those normally performed by an individual referred to in paragraphs (i) or (ii) directly above;
- (ff) **"Option"** means an option to purchase Shares granted pursuant to, or governed by, this Plan and any pre-existing stock option plan of the Company;
- (gg) **"Option Plan"** means the Company's Stock Option Plan adopted by the Board on November 27, 2017, as may be amended or restated from time to time
- (hh) **"Participant"** means any Eligible Person to whom Awards are granted;
- (ii) **"Participant's Account"** means a notional account maintained for each Participant's participation in this Plan which will show any Incentive Securities credited to a Participant from time to time;
- (jj) **"Performance Criteria"** means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal

performance and/or financial performance of the Company and its Subsidiaries, and that are to be used to determine the vesting of the PSUs;

- (kk) **"Performance Cycle"** means the applicable performance cycle of the PSUs as may be specified by the Board in the applicable Award Agreement;
- (ll) **"Performance Share Unit" or "PSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.2 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (mm) **"Person"** means any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, or governmental authority or body;
- (nn) **"Private Foundation"** means "private foundation" as defined in the Tax Act;
- (oo) **"Public Foundation"** means "public foundation" as defined in the Tax Act;
- (pp) **"Registered Charity"** means "registered charity" as defined in the Tax Act;
- (qq) **"Registered National Arts Service Organization"** means "registered national arts service organization" as defined in the Tax Act;
- (rr) **"Related Person"** means a person or an entity who, with respect to the Company, qualifies as a "related person" (as such term is defined under Section 2.22 of National Instrument 45-106 – *Prospectus Exemptions*);
- (ss) **"Restriction Period"** means the time period between the Grant Date and the Vesting Date of an Award of RSUs specified by the Board in the applicable Award Agreement, which is subject to the requirements of this Plan with respect to vesting;
- (tt) **"Restricted Share Unit" or "RSU"** means a right awarded to a Participant to receive a payment in Shares as provided in Section 5.1 hereof and subject to the terms and conditions of this Plan and the applicable Award Agreement;
- (uu) **"Retirement"** means retirement from active employment with the Company or a subsidiary of the Company with the consent of an Officer;
- (vv) **"Security Based Compensation Plans"** has the meaning set out in Subsection 4.1.1;
- (ww) **"Securities Act"** means the *Securities Act* (British Columbia), as amended from time to time;
- (xx) **"Shares"** means the common shares of the Company;
- (yy) **"Tax Act"** means the *Income Tax Act* (Canada), as amended from time to time;

- (zz) **"Trading Day"** means any date on which the Canadian Securities Exchange (or other Exchange if the Shares are not listed on the Canadian Securities Exchange) is open for trading; and
- (aaa) **"Vesting Date"** means, for any Award, the date when the Award is fully vested in accordance with the provisions of this Plan and the applicable Award Agreement.

SECTION 3 ADMINISTRATION

- 3.1 **BOARD TO ADMINISTER PLAN.** Except as otherwise provided herein, this Plan shall be administered by the Board and the Board shall have full authority to administer this Plan, including the authority to interpret and construe any provision of this Plan and to adopt, amend and rescind such rules and regulations for administering this Plan as the Board may deem necessary in order to comply with the requirements of this Plan.
- 3.2 **DELEGATION TO COMMITTEE.** All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be delegated to and exercised by the Committee or such other committee as the Board may determine.
- 3.3 **INTERPRETATION.** All actions taken and all interpretations and determinations made or approved by the Board in good faith shall be final and conclusive and shall be binding on the Participants and the Company, subject to any required approval of the Exchange.
- 3.4 **NO LIABILITY.** No Director shall be personally liable for any action taken or determination or interpretation made or approved in good faith in connection with this Plan and the Directors shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of this Plan and of the rules and regulations established for administering this Plan. All costs incurred in connection with this Plan shall be for the account of the Company.

SECTION 4 SHARES AVAILABLE FOR AWARDS

- 4.1 **LIMITATIONS ON SHARES AVAILABLE FOR ISSUANCE.**
- 4.1.1 The maximum aggregate number of Shares issuable in respect of all Incentive Securities granted or issued under this Plan and all of the Company's other previously established or proposed security based compensation plans (collectively, "**Security Based Compensation Plans**"), at any point in time, shall not exceed:
- (a) with respect to a grant of Options, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time; and

- (b) with respect to a grant of DSUs, RSUs and PSUs, ten percent (10%) of the total number of issued and outstanding Shares on a non-diluted basis at such point in time.
 - 4.1.2 The maximum aggregate number of Shares issuable to any one Related Person at any point in time, in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
 - 4.1.3 The maximum aggregate number of Shares issuable to all Related Persons at any point in time, in respect of all Incentive Securities granted or issued under Security Based Compensation Plans shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
 - 4.1.4 The maximum aggregate number of Shares issuable to any one Related Person and the Associates of the Related Person, in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed five percent (5%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
 - 4.1.5 The maximum aggregate number of Shares issuable to all Related Persons in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed ten percent (10%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date, unless the Company has obtained the requisite disinterested shareholder approval.
 - 4.1.6 The maximum aggregate number of Shares issuable to all Investor Relations Service Providers in respect of all Incentive Securities granted or issued under Security Based Compensation Plans in any twelve (12) month period, shall not exceed two percent (2%) of the issued and outstanding Shares on a non-diluted basis on the Grant Date.
- 4.2 ACCOUNTING FOR AWARDS.
- 4.2.1 The number of Shares underlying an Award, or to which such Award relates, shall be counted on the Grant Date of such Award against the aggregate number of Shares available for granting or issuing Awards under this Plan. For the purposes of calculating the number of Shares reserved for issuance under this Plan, each Option shall be counted as reserving one Share under the Plan, and notwithstanding that the settlement and/or exercise of any RSU, DSU and PSU may be completed in cash, each RSU, DSU and PSU shall, in each case, be counted as reserving one Share under this Plan.
 - 4.2.2 As this Plan is an evergreen plan, the number of Incentive Securities issuable under this Plan will replenish in an amount equal to the number of Shares issued pursuant to the exercise or vesting, as applicable, of such Incentive Securities at any point in time. Notwithstanding anything herein to the contrary, any Shares related to Awards which

have been settled in cash, cancelled, surrendered, forfeited, expired or otherwise terminated without the issuance of such Shares shall be available again for granting Awards under this Plan.

- 4.3 **ADJUSTMENTS.** If the number of outstanding Shares is increased or decreased as a result of a Share split or consolidation, or any adjustment is required to an Award granted or issued under this Plan pursuant to an amalgamation, merger, arrangement, reorganization, recapitalization, spin-off, dividend or other distribution, the Board may make appropriate adjustments, in accordance with the terms of this Plan, the policies of the Exchange, and applicable laws, to the number and price (or other basis upon which an Award is measured) of Incentive Securities credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole discretion and all such adjustments shall be conclusive and binding for all purposes under this Plan.
- 4.4 **OPTION PLAN.** As of the Effective Date, Options which are outstanding under the Option Plan shall continue to be exercisable and shall be deemed to be governed by and be subject to the terms and conditions of this Plan except to the extent that the terms of this Plan are more restrictive than the terms of the Option Plan under which such Options were originally granted, in which case the Option Plan shall govern.
- 4.5 **RESALE RESTRICTIONS.** All Incentive Securities shall be subject to any applicable resale restrictions pursuant to applicable securities laws. In addition, Incentive Securities and Shares underlying Incentive Securities must be subject to a hold period of four (4) months commencing on the date of distribution of the applicable Incentive Security unless written approval to issue the Incentive Security without the hold period is obtained from the Exchange, and the Award Agreement shall contain any applicable resale restriction or hold period.
- 4.6 **BONA FIDE PARTICIPANTS.** In respect of Awards granted to Employees, Consultants or Management Company Employees, the Company and the Participant is representing herein and in the applicable Award Agreement that the Participant is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or a subsidiary of the Company. The execution of an Award Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

SECTION 5. AWARDS

5.1 RESTRICTED SHARE UNITS

- 5.1.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of RSUs to Eligible Persons who are not Eligible Charitable Organizations. RSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of RSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each RSU shall, contingent upon the lapse of any restrictions, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of RSUs granted

pursuant to an Award and the Restriction Period in respect of such RSUs shall be specified in the applicable Award Agreement.

- 5.1.2 RESTRICTIONS. RSUs shall be subject to such restrictions as the Board, in its sole discretion, may establish in the applicable Award Agreement, which restrictions may lapse separately or in combination at such time or times and on such terms, conditions and satisfaction of objectives as the Board may, in its discretion, determine at the time an Award is granted.
- 5.1.3 VESTING. All RSUs will vest and become payable by the issuance of Shares at the end of the Restriction Period if all applicable restrictions have lapsed, as such restrictions may be specified in the Award Agreement.
- 5.1.4 CHANGE OF CONTROL. Unless otherwise determined by the Board, in the event of a Change of Control, all restrictions upon any RSUs shall lapse immediately and all such RSUs shall become fully vested in the Participant and will accrue to the Participant in accordance with Subsection 5.1.9.
- 5.1.5 DEATH. Other than as may be set forth in the applicable Award Agreement, upon the death of a Participant, any RSUs granted to such Participant which, prior to the Participant's death, have not vested, will be immediately and automatically forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever. Any RSUs granted to such Participant which, prior to the Participant's death, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant's estate in accordance with Subsection 5.1.9 hereof.
- 5.1.6 TERMINATION OF EMPLOYMENT OR SERVICE.
 - (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all RSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board.
 - (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under this Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant which, prior to the Participant's termination without cause, voluntary termination, Retirement or termination of agreement, had vested pursuant to the terms of the applicable Award

Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.7 **DISABILITY.** Where a Participant becomes afflicted by a Disability, all RSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such RSUs, provided, however, that no RSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all RSUs granted to the Participant under this Plan that have not vested will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board, provided, however, that any RSUs granted to such Participant that, prior to the Participant's termination due to Disability, had vested pursuant to term of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any RSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that any RSUs granted to such Participant which, prior to the Cessation Date for any reason, had vested pursuant to the terms of the applicable Award Agreement will accrue to the Participant in accordance with Subsection 5.1.9 hereof.

5.1.9 **PAYMENT OF AWARD.** As soon as practicable after each Vesting Date of an Award of RSUs, and subject to the applicable Award Agreement, the Company shall issue from treasury to the Participant, or if Subsection 5.1.5 applies, to the Participant's estate, a number of Shares equal to the number of RSUs credited to the Participant's Account that become payable on the Vesting Date. As of the Vesting Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such RSUs. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement.

5.2 PERFORMANCE SHARE UNITS

5.2.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of PSUs to Eligible Persons who are not Eligible Charitable Organizations. PSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of PSUs to be credited to each Participant shall be determined by the Board, in its sole discretion, in accordance with this Plan. Each PSU shall, contingent upon the attainment of the Performance Criteria within the Performance Cycle, represent one (1) Share, unless otherwise specified in the applicable Award Agreement. The number of PSUs granted pursuant to an Award, the

Performance Criteria that must be satisfied in order for the PSUs to vest and the Performance Cycle in respect of such PSUs shall be specified in the applicable Award Agreement.

- 5.2.2 **PERFORMANCE CRITERIA.** The Board will select, settle and determine the Performance Criteria (including without limitation the attainment thereof), for purposes of the vesting of the PSUs, in its sole discretion. An Award Agreement may provide the Board with the right, during a Performance Cycle or after it has ended, to revise the Performance Criteria and the Award amounts if unforeseen events (including, without limitation, changes in capitalization, an equity restructuring, an acquisition or a divestiture) occur which have a substantial effect on the financial results and which in the sole judgment of the Board make the application of the original Performance Criteria unfair or inappropriate unless a revision is made. Notices will be provided by the Company to the Exchange, if required, with respect to the foregoing.
- 5.2.3 **VESTING.** All PSUs will vest and become payable to the extent that the Performance Criteria set forth in the Award Agreement are satisfied for the Performance Cycle, the determination of which shall be made by the Board on the Determination Date.
- 5.2.4 **CHANGE OF CONTROL.** Unless otherwise determined by the Board, in the event of a Change of Control, all PSUs granted to a Participant shall become fully vested in such Participant (without regard to the attainment of any Performance Criteria) and shall become payable to the Participant in accordance with Subsection 5.2.9 hereof.
- 5.2.5 **DEATH.** Other than as may be set forth in the applicable Award Agreement and below, upon the death of a Participant, all PSUs granted to the Participant which, prior to the Participant's death, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant or his or her estate, as the case may be, shall have no right, title or interest therein whatsoever, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.6 **TERMINATION OF EMPLOYMENT OR SERVICE.**
- (a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, all PSUs granted to the Participant under this Plan will immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the date of termination determined by the Board.
 - (b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement

is terminated for a reason other than the Participant's breach, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant which, prior to the Participant's termination, have not vested, will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.

- 5.2.7 **DISABILITY.** Where a Participant becomes afflicted by a Disability, all PSUs granted to the Participant under this Plan will continue to vest in accordance with the terms of such PSUs, provided, however, that no PSUs may be redeemed during a leave of absence. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, all PSUs granted to the Participant under this Plan that have not vested will immediately and automatically be forfeited and cancelled without further action and without any cost or payment, and the Participant shall have no right, title or interest therein whatsoever as of the date of termination determined by the Board, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.8 **CESSATION OF DIRECTORSHIP.** Where, in the case of Directors, a Participant ceases to be a Director for any reason, any PSUs granted to the Participant under this Plan that have not yet vested will, unless the applicable Award Agreement provides otherwise and subject to the provisions below, immediately terminate without payment, be forfeited and cancelled and shall be of no further force or effect as of the Cessation Date, provided, however, that the Board may determine, in its sole discretion, the number of the Participant's PSUs that will vest based on the extent to which the applicable Performance Criteria set forth in the Award Agreement have been satisfied in that portion of the Performance Cycle that has lapsed. The PSUs that the Board determines to have vested shall become payable in accordance with Subsection 5.2.9 hereof.
- 5.2.9 **PAYMENT OF AWARD.** Subject to the applicable Award Agreement, payment to Participants in respect of vested PSUs shall be made after the Determination Date for the applicable Award and in any case within ninety (90) days after the last day of the Performance Cycle to which such Award relates. Such payments shall be made entirely in Shares, unless otherwise provided for in the applicable Award Agreement.

The Company shall issue from treasury to the Participant, or if Subsection 5.2.5 applies, to the Participant's estate, a number of Shares equal to the number of PSUs that have vested. As of the Vesting Date, the PSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under this Plan in relation to such PSUs.

5.2.10 PERFORMANCE EVALUATION; ADJUSTMENT OF GOALS. At the time that a PSU is first issued, the Board, in the Award Agreement or in another written document, may specify whether performance will be evaluated including or excluding the effect of any of the following events that occur during the Performance Cycle or Restriction Period, as the case may be: (A) judgments entered or settlements reached in litigation; (B) the write down of assets; (C) the impact of any reorganization or restructuring; (D) the impact of changes in tax laws, accounting principles, regulatory actions or other laws affecting reported results; (E) extraordinary non-recurring items as may be described in the Company's management's discussion and analysis of financial condition and results of operations for the applicable financial year; (F) the impact of any mergers, acquisitions, spin-offs or other divestitures; (G) foreign exchange gains and losses; and (H) other extraordinary events having a similar impact on a Participant's ability to satisfy Performance Criteria, as determined in the discretion of the Board.

5.2.11 ADJUSTMENT OF PERFORMANCE SHARE UNITS. The Board shall have the sole discretion to adjust the determination of the degree of attainment of the pre-established Performance Criteria or restrictions, as the case may be, as may be set out in the applicable Award Agreement governing the relevant PSU. Notwithstanding any provision herein to the contrary, the Board may not make any adjustment or take any other action with respect to any PSU that will increase the amount payable under any such PSU. The Board shall retain the sole discretion to adjust PSUs downward or to otherwise reduce the amount payable with respect to any Award of PSUs.

5.3 DEFERRED SHARE UNITS

5.3.1 ELIGIBILITY AND PARTICIPATION. Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of DSUs to Eligible Persons who are not Eligible Charitable Organizations. DSUs granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of DSUs to be credited to each Participant shall be determined by the Board in its sole discretion in accordance with this Plan. Each DSU shall, contingent upon the occurrence of the applicable vesting criteria, represent one (1) Share. The number of DSUs granted pursuant to an Award and the vesting criteria in respect of such DSUs shall be specified in the applicable Award Agreement.

5.3.2 ELECTION BY DIRECTORS. Each Director may elect to receive any part or all of his or her Fees in DSUs under this Plan. Elections by Participants regarding the amount of their Fees that they wish to receive in DSUs shall be made no later than 90 days after this Plan is adopted by the Board, and thereafter no later than December 31 of any given year with respect to Fees for the following year. Any Director who becomes a

Participant during a fiscal year and wishes to receive an amount of his or her Fees for the remainder of that year in DSUs must make his or her election within 60 days of becoming a Director.

- 5.3.3 **CALCULATION.** In the case of an election by a Director, the number of DSUs to be credited to the Participant's Account shall be calculated by dividing the amount of Fees selected by a Director in the applicable Election Form by the Market Price on the Grant Date, or if more appropriate, another trading range that best represents the period for which the award was earned (subject to minimum pricing requirements of the Exchange). If, as a result of the foregoing calculation, a Participant shall become entitled to a fractional DSU, the Participant shall only be credited with a full number of DSUs (rounded down) and no payment or other adjustment will be made with respect to the fractional DSU.
- 5.3.4 **CHANGE OF CONTROL.** Unless otherwise determined by the Board, in the event of a Change of Control, all DSUs granted to a Participant shall become fully vested in such Participant and shall become payable to the Participant in accordance with Subsection 5.3.5 hereof.
- 5.3.5 **PAYMENT OF AWARD.** After the effective date that the Participant ceases to be an Eligible Person for any reason or any earlier vesting period(s) as may be set forth in the applicable Award Agreement, each Participant shall be entitled to receive on the DSU Payment Date that number of Shares equal to the number of DSUs credited to the Participant's Account, such Shares to be issued from treasury of the Company. The aforementioned payment will occur on the date (the "**DSU Payment Date**") that is one of two (2) dates designated by the Participant and communicated to the Company by the Participant in writing at least fifteen (15) days prior to the designated day (or such earlier date as the Participant and the Company may agree, which dates shall be no earlier than then ninetieth (90) day following the year of the Cessation Date and no later than the end of the calendar year following the year of the Cessation Date, or any earlier period in which the DSUs vested, as the case may be) and if no such notice is given, then on the first anniversary of the Cessation Date or any earlier period on which the DSUs vested, as the case may be, at the sole discretion of the Participant.
- 5.3.6 **DEATH.** Upon death of a Participant, the Participant's estate shall be entitled to receive, within 120 days after the Participant's death and at the sole discretion of the Board, such Shares that would have otherwise been payable in accordance with Subsection 5.3.5 hereof to the Participant upon such Participant ceasing to be an Eligible Person.

5.4 OPTIONS

- 5.4.1 **ELIGIBILITY AND PARTICIPATION.** Subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, the Board may, from time to time, grant Awards of Options to Eligible Persons. Options granted to a Participant shall be credited, as of the Grant Date, to the Participant's Account. The number of Options to be credited to each Participant shall be determined by the Board in its sole

discretion in accordance with this Plan. Each vested Option shall represent the right to purchase one (1) Share in accordance with its terms and the terms of this Plan. The number of Options granted pursuant to an Award shall be specified in the applicable Award Agreement.

- 5.4.2 EXERCISE PRICE. The exercise price of the Options shall be determined by the Board at the time the Option is granted. In no event shall such exercise price be lower than the Market Price permitted by the Exchange. The Board shall not reprice any Options granted under this Plan, or cancel and later grant new Options under this Plan, except in accordance with the rules and policies of the Exchange.
- 5.4.3 TIME AND CONDITIONS OF EXERCISE. The Board shall determine the time or times at which an Option may be exercised in whole or in part. The Board shall also determine the vesting, performance and/or other conditions, if any, that must be satisfied before all or part of an Option may be exercised.
- 5.4.4 EVIDENCE OF GRANT. All Options shall be evidenced by a written Award Agreement. The Award Agreement shall reflect the Board's determinations regarding the exercise price, time and conditions of exercise (including vesting provisions) and such additional provisions as may be specified by the Board.
- 5.4.5 EXERCISE. The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise in the manner and in the form set forth in the applicable Award Agreement, which written notice shall specify the number of Shares with respect to which the Option is being exercised, and which shall be accompanied by a cheque, bank draft or other method of cash payment as is acceptable to the Company for the full purchase price of such Shares with respect to which the Option is exercised. Certificates for such Shares shall be issued and delivered to the Participant within a reasonable time following the receipt of such notice and payment. Neither the Participants nor their legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for the Shares issuable pursuant to Options under this Plan are issued to such Participants under the terms of this Plan. In the event that the expiry date of an Option falls during a Blackout Period, the expiry date of such Option shall automatically be extended to a date which is ten (10) Trading Days following the end of such Blackout Period (the "**Extension Period**"), subject to no cease trade order being in place under applicable securities laws; provided that if an additional Blackout Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Blackout Period to enable the exercise of such Option within ten (10) Trading Days following the end of the last imposed Blackout Period.
- 5.4.6 CHANGE OF CONTROL. In the event of a Change of Control, each outstanding Option, to the extent that it has not otherwise become vested and exercisable, and subject to the applicable Award Agreement, shall automatically become fully and immediately vested and exercisable, without regard to any other applicable vesting requirement.

5.4.7 DEATH. Where a Participant shall die, any Option held by such Participant at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Participant under the Option shall pass by the will of the Participant or the laws of descent and distribution for a period of 120 days after the date of death of the Participant or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of death of such Participant.

5.4.8 TERMINATION OF EMPLOYMENT OR SERVICE.

(a) Where a Participant's employment is terminated by the Company or a subsidiary of the Company for cause, or where a Participant's consulting agreement is terminated as a result of the Participant's breach, no Option held by such Participant shall be exercisable from the date of termination determined by the Board.

(b) Where a Participant's employment is terminated by the Company or a subsidiary of the Company without cause, by voluntary termination or due to Retirement by the Participant, or where a Participant's consulting agreement is terminated for a reason other than the Participant's breach, any Option held by such Participant at such time shall remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of termination determined by the Board.

(c) Where a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options. Where a Participant's employment or consulting agreement with the Company or a subsidiary of the Company is terminated due to Disability, unless the applicable Award Agreement provides otherwise and subject to the provisions below, any Option held by such Participant shall remain exercisable for a period of 120 days after the date of termination determined by the Board (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option at the date of termination determined by the Board.

5.4.9 CESSATION OF DIRECTORSHIP. Where, in the case of Directors, a Participant ceases to be a Director for any reason, any Option held by such Participant at such time shall, subject to the applicable Award Agreement and the provisions below, remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to

exercise the Option as of the Cessation Date. Where, in the case of Directors, a Participant becomes afflicted by a Disability, all Options granted to the Participant under this Plan will continue to vest in accordance with the terms of such Options, provided that if a Participant ceases to be a Director due to Disability, subject to the applicable Award Agreement, any Option held by such Participant shall remain exercisable for a period of 120 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

5.4.10 ELIGIBLE CHARITABLE ORGANIZATIONS. Where, in the case of Eligible Charitable Organizations, a Participant ceases to be an Eligible Person due to no longer being an Eligible Charitable Organization, any Option held by such Participant at such time shall, subject to the applicable Award Agreement and the provisions below, remain exercisable in full at any time, and in part from time to time, for a period of 90 days after the Cessation Date (subject to any longer period set out in the applicable Award Agreement or as determined by the Board) or prior to the expiration of the Option, whichever is sooner, and then only to the extent that such Participant was entitled to exercise the Option as of the Cessation Date.

5.5 GENERAL TERMS APPLICABLE TO AWARDS

5.5.1 FORFEITURE EVENTS. The Board will specify in an Award Agreement at the time of the Award that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events shall include, but shall not be limited to, termination of employment for cause, violation of material Company policies, fraud, breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant or other conduct by the Participant that is detrimental to the business or reputation of the Company.

5.5.2 AWARDS MAY BE GRANTED SEPARATELY OR TOGETHER. Without limiting Subsection 5.5, Awards may, in the discretion of the Board, be granted either alone or in addition to, in tandem with, or in substitution for any other Award. Awards granted in addition to or in tandem with other Awards, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

5.5.3 NON-TRANSFERABILITY OF AWARDS. No Award and no right under any such Award, shall be assignable, alienable, saleable, or transferable by a Participant otherwise than by will or by the laws of descent and distribution. No Award and no right under any such Award, may be pledged, alienated, attached, or otherwise encumbered, and any purported pledge, alienation, attachment, or encumbrance thereof shall be void and unenforceable against the Company. The Company does not intend to make Awards assignable or transferable, except where required by law or in certain estate proceedings described herein.

- 5.5.4 **CONDITIONS AND RESTRICTIONS UPON SECURITIES SUBJECT TO AWARDS.** The Board may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Board in its sole discretion may specify, including without limitation, conditions on vesting or transferability and forfeiture or repurchase provisions or provisions on payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation: (A) restrictions under an insider trading policy or pursuant to applicable law; (B) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant; (C) restrictions as to the use of a specified brokerage firm for such resales or other transfers; and (D) provisions requiring Shares to be sold on the open market or to the Company in order to satisfy tax withholding or other obligations.
- 5.5.5 **SHARE CERTIFICATES.** All Shares delivered under this Plan pursuant to any Award shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under this Plan or the rules, regulations, and other requirements of any securities commission, the Exchange, and any applicable securities legislation, regulations, rules, policies or orders, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- 5.5.6 **CONFORMITY TO PLAN.** In the event that an Award is granted which does not conform in all particulars with the provisions of this Plan, or purports to grant an Award on terms different from those set out in this Plan, the Award shall not be in any way void or invalidated, but the Award shall be adjusted by the Board to become, in all respects, in conformity with this Plan.

SECTION 6 AMENDMENT AND TERMINATION

- 6.1 **SHAREHOLDER APPROVAL OF PLAN.** The Company must obtain shareholder approval of the Plan: (i) within three years after institution; and (ii) within every three years thereafter. The shareholder approval requirements and related matters are set out in section 8.1 of this Plan.
- 6.2 **AMENDMENTS AND TERMINATION OF THIS PLAN.** The Board may at any time or from time to time, in its sole and absolute discretion, amend, suspend, terminate or discontinue this Plan and may amend the terms and conditions of any Awards granted hereunder, subject to (a) any required approval of any applicable regulatory authority or the Exchange, and (b) any required approval of shareholders of the Company in accordance with the rules and policies of the Exchange or applicable law. Without limitation, shareholder approval shall not be required for the following amendments:
- 6.2.1 amendments to fix typographical errors;
- 6.2.2 amendments to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions; and
- 6.2.3 amendments that are necessary to comply with applicable law or the requirements of the Exchange.

If this Plan is terminated, Awards granted or issued prior to the date of termination shall remain outstanding and in effect in accordance with their applicable terms and conditions.

- 6.3 **AMENDMENTS TO AWARDS.** In accordance with the policies of the Exchange, the terms of an Award may not be amended once issued, unless otherwise approved by the Exchange and subject to compliance with applicable laws. In the event Exchange approval is received for the amendment of an Award, no amendment shall be made which would impair the rights of any Participant, without such Participant's consent, provided that no such consent shall be required if the amendment is: (a) either required or advisable in respect of compliance with any law, regulation or requirement of any accounting standard; or (b) not reasonably likely to significantly diminish the benefits provided under such Award.
- 6.4 **CANCELLATION OF AWARDS.** In accordance with the policies of the Exchange, if an Award is cancelled prior to its expiry date, the Company shall not grant new Awards to the same Participant until 30 days have elapsed from the date of cancellation.

SECTION 7 GENERAL PROVISIONS

- 7.1 **NO RIGHTS TO AWARDS.** No Eligible Person shall have any claim to be granted any Award under this Plan, or, having been selected to receive an Award under this Plan, to be selected to receive a future Award, and further there is no obligation for uniformity of treatment of Eligible Persons under this Plan. The terms and conditions of Awards need not be the same with respect to each recipient, subject to compliance with the terms of this Plan.
- 7.2 **WITHHOLDING.** The Company shall be authorized to withhold from any Award granted or any payment due or transfer made under any Award or under this Plan the amount (in cash, Shares, other securities, or other Awards) of withholding taxes due in respect of an Award, its exercise, or any payment or transfer under such Award or under this Plan and to take such other action as may be necessary in the opinion of the Company to satisfy statutory withholding obligations for the payment of such taxes. Without in any way limiting the generality of the foregoing, whenever cash is to be paid on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from all cash payments made to a Participant any taxes required by law to be withheld with respect to such payments. Whenever Shares are to be delivered on the redemption, exercise or vesting of an Award, the Company shall have the right to deduct from any other amounts payable to the Participant any taxes required by law to be withheld with respect to such delivery of Shares, or if any payment due to the Participant is not sufficient to satisfy the withholding obligation, to require the Participant to remit to the Company in cash an amount sufficient to satisfy any taxes required by law to be withheld. At the sole discretion of the Board, a Participant may be permitted to satisfy the foregoing requirement by:
- 7.2.1 electing to have the Company withhold from delivery Shares having a value equal to the amount of tax required to be withheld, or
- 7.2.2 delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or a portion of the Shares and to deliver to the Company from the sales proceeds an amount sufficient to pay the required withholding taxes.

- 7.3 NO LIMIT ON OTHER SECURITY-BASED COMPENSATION ARRANGEMENTS. Nothing contained in this Plan shall prevent the Company or a subsidiary of the Company from adopting or continuing in effect other security-based compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.
- 7.4 NO RIGHT TO EMPLOYMENT. The grant of an Award shall not constitute an employment contract nor be construed as giving a Participant the right to be retained in the employ of the Company. Further, the Company may at any time dismiss a Participant from employment, free from any liability, or any claim under this Plan, unless otherwise expressly provided in this Plan or in any Award Agreement.
- 7.5 NO RIGHT AS SHAREHOLDER. Neither the Participant nor any representatives of a Participant's estate shall have any rights whatsoever as shareholders in respect of any Shares covered by such Participant's Award, until the date of issuance of a share certificate to such Participant or representatives of a Participant's estate for such Shares.
- 7.6 CURRENCY. Unless expressly stated otherwise, all dollars amounts in this Plan are in Canadian dollars.
- 7.7 GOVERNING LAW. This Plan and all of the rights and obligations arising herefrom shall be interpreted and applied in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.
- 7.8 SEVERABILITY. If any provision of this Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any Person or Award, or would disqualify this Plan or any Award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of this Plan or the Award, such provision shall be stricken as to such jurisdiction, Person, or Award, and the remainder of this Plan and any such Award shall remain in full force and effect.
- 7.9 NO TRUST OR FUND CREATED. Neither this Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured creditor of the Company.
- 7.10 NO FRACTIONAL SHARES. No fractional Shares shall be issued or delivered pursuant to this Plan or any Award, and the Board shall determine whether cash, or other securities shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be cancelled, terminated, or otherwise eliminated.
- 7.11 HEADINGS. Headings are given to the Sections and Subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

7.12 NO REPRESENTATION OR WARRANTY. The Company makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Shares issued pursuant to any Award.

7.13 NO REPRESENTATIONS OR COVENANTS WITH RESPECT TO TAX QUALIFICATION.

Although the Company may, in its discretion, endeavor to (i) qualify an Award for favourable Canadian tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under this Plan.

7.14 CONFLICT WITH AWARD AGREEMENT. In the event of any inconsistency or conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern for all purposes.

7.15 COMPLIANCE WITH LAWS. The granting of Awards and the issuance of Shares under this Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or stock exchanges on which the Company is listed as may be required. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under this Plan prior to:

7.15.1 obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

7.15.2 completion of any registration or other qualification of the Shares under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable or at a time when any such registration or qualification is not current, has been suspended or otherwise has ceased to be effective.

The inability or impracticability of the Company to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

SECTION 8 EFFECTIVE DATE OF THIS PLAN AND SHAREHOLDER APPROVAL

8.1 EFFECTIVE DATE AND SHAREHOLDER APPROVAL. This Plan shall become effective upon the date (the "**Effective Date**") of approval by the Board and will remain subject to initial shareholder approval ("**Initial Shareholder Approval**"), provided that, if the Company grants or issues Awards under this Plan that it would not otherwise be permitted to grant under its existing Option Plan prior to Initial Shareholder Approval having been obtained, the Company must also obtain specific (and separate) shareholder approval for such grants or issuances. If Initial Shareholder Approval is obtained after the Effective Date, no right under any Award (other than an Option, which was or could have been granted under the existing Option Plan) that is granted or issued under this Plan prior to such shareholder approval may vest or be

exercised, as applicable, before the date on which Initial Shareholder Approval and shareholder approval for such grants or issuances (as applicable) are obtained. Shareholder approval of this Plan must be obtained within three years after the date on which Initial Shareholder Approval is obtained and within every three years thereafter. If requisite shareholder approvals following Initial Shareholder Approval are not obtained, all unallocated Awards must be cancelled and the Company must not be permitted to grant further Awards.

Approved by the Board of Directors of the Company effective _____.

Approved by the shareholders of the Company on _____, 2024.

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.

