

KRAKEN ENERGY CORP.

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JANUARY 19, 2023**

NOTICE AND INFORMATION CIRCULAR

**Information as at December 20, 2022
unless otherwise disclosed**

**KRAKEN ENERGY CORP.
907 – 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3**

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that an annual general and special meeting of the shareholders (the “**Shareholders**”) of Kraken Energy Corp. (the “**Company**”) will be held at 918 – 1030 W. Georgia Street, Vancouver, BC, V6E 2Y3 on Thursday January 19, 2023 at 10:00 a.m. PST, (the “**Meeting**”).

The Meeting is to be held for the following purposes:

- to table the financial statements for the year ended June 30, 2022, together with the auditor’s report thereon and the related management discussion and analysis;
- to determine the number of directors at five;
- to elect directors of the Company for the ensuing year;
- to re-appoint Davidson & Company LLP as auditor of the Company for the ensuing year and authorize the directors to determine their remuneration;
- to ratify and approve for continuation the Company’s 10% “rolling” Stock Option Plan, as described in the accompanying management information circular (the “**Circular**”); and
- to transact such other business, including amendments to the foregoing, as may properly come before the Meeting or any adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting.

The audited financial statements and related MD&A for the Company for the fiscal year ended June 30, 2022, will be made available at the Meeting and are available at www.sedar.com under the Company’s profile.

This notice is accompanied by the Circular, a form of proxy and a supplemental mailing list return card.

The board of directors of the Company (the “Board”) has by resolution fixed the close of business on December 14, 2022 as the record date, being the date for the determination of the registered holders of common shares.

Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Company’s Meeting, the Company respectfully asks that all shareholders do not attend the Meeting in person. The Company requests that shareholders who wish to participate by listening to the Meeting, contact the Company by January 17, 2023, at mwells@sentinelcorp.ca to be included in the telephone conference for the Meeting. The Company will arrange for telephone participation for all shareholders who have requested it by January 17, 2023. However, the Company strongly recommends that shareholders vote by Proxy or VIF in advance to ease the voting tabulation at the Meeting by Endeavor Trust Corporation (“Endeavor”).

Your vote is important regardless of the number of shares you own. Registered shareholders who are unable to attend the Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the Internet, in each case in accordance with the enclosed instructions. To be used at the Meeting, the completed proxy form must be deposited at the office of Endeavor by fax within North America at 1-604-559-8908, by email to: proxy@endeavortrust.com or by mail or hand delivery at 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4 no later than 5:00 pm (Pacific Time) on **January 17, 2023** or, if the Meeting is adjourned or postponed, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for the adjourned or postponed meeting

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it by fax, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Circular.

Non-registered Shareholders who are unable to attend the Meeting and who wish to ensure that their shares will be voted at the Meeting must follow the instructions set out in the form of proxy or voting instruction form and in the Circular to

ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are a non-registered shareholder.

DATED at Vancouver, British Columbia, as at December 20, 2022.

BY ORDER OF THE BOARD OF DIRECTORS OF THE COMPANY

“Matthew C. Schwab”

Matthew C. Schwab

Chief Executive Officer

KRAKEN ENERGY CORP.
907 – 1030 West Georgia Street
Vancouver, British Columbia
V6E 2Y3

INFORMATION CIRCULAR
(as at December 20, 2022, except as otherwise indicated)

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management of Kraken Energy Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Thursday, January 19, 2023 (the “**Meeting**”), at the time and place set out in the accompanying notice of meeting (the “**Notice of Meeting**”).

Due to the COVID19 Pandemic and given the restrictions on public gatherings and in the best interest of the health of all participants in the Company’s Meeting, the Company respectfully asks that all shareholders do not attend the Meeting in person. The Company requests that shareholders who wish to participate by listening to the Meeting, contact the Company by January 17, 2023, at mwells@sentinelcorp.ca to be included in the telephone conference for the Meeting. The Company will arrange for telephone participation for all shareholders who have requested it by January 17, 2023. However, the Company strongly recommends that shareholders vote by Proxy or VIF in advance to ease the voting tabulation at the Meeting by Endeavor.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

Registered Shareholders

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

Registered Shareholders must complete, date and sign the Proxy form and return it to the Company's transfer agent, c/o Proxy Dept., Endeavor Trust Corporation Suite 702, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, by Facsimile at 604-559-8908, or by Email to proxy@endeavortrust.com.

Registered shareholders can vote their proxy online at www.eproxy.ca and by registering using their control number provided on the proxy form.

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

Beneficial Shareholders

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

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

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

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

This year the Company will **NOT** be mailing the proxy-related materials directly to the NOBOs. Endeavor will take care of mailing to the NOBOs. National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" permits an issuer to directly deliver proxy-related materials to its NOBOs. In that case, NOBOs would receive a scannable Voting Instruction Form ("VIF") from our transfer agent, Endeavor. The VIFs are to be completed and returned to Endeavor in the envelope provided or by facsimile. In addition, Endeavor provides internet voting as described on the VIF itself which contain complete instructions. Endeavor will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

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

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

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

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

Notice to United States Shareholders

The Company’s common shares are not registered under Section 12 of the United States Securities Exchange Act of 1934, as amended (the “**U.S. Exchange Act**”), and this solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Residents of the United States should be aware that applicable Canadian proxy solicitation rules differ from those of the United States applicable to proxy statements under the U.S. Exchange Act.

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

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

Financial statements included or incorporated by reference herein have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada and reconciled to accounting principles generally accepted in the United States.

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

Revocation of Proxies

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

- executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Endeavor or at the address of the registered office of the Company at 1055 W Georgia St #1500, Vancouver, BC V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- personally attending the Meeting and voting the registered shareholder’s Common Shares.

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

FINANCIAL STATEMENTS

The audited financial statements of the Company for the years ended June 30, 2022, together with the auditor's report thereon and the related management discussion analyses (the "**Financial Statements**"), will be tabled at the Meeting. These documents are also available under the Company's profile on the SEDAR website at www.sedar.com.

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed December 14, 2022 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares.

As of the Record Date, there were 54,197,091 Common Shares without par value issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

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

FIXING THE NUMBER OF DIRECTORS

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors for the ensuing year at five (5).

In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at five (5) for the ensuing year.

ELECTION OF DIRECTORS

Proposed Nominees

The Board of the Company currently consists of five directors. The articles of incorporation of the Company provide that the number of directors of the Company will be a minimum of 3 and a maximum of 10. The Shareholders will be asked at the Meeting to approve a resolution to determine that the number of directors to be elected at the Meeting be five.

Management is nominating the current five directors for election as directors at the Meeting. Under the Company's by-laws, the directors of the Company are elected at each annual meeting of the Shareholders and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management does not contemplate that any of the nominees will be unable to serve as a director. The following disclosure sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which

each exercised control or direction, as at the Record Date. For information relating to the directors' principal occupation, business, or employment, please see below "*Director Biographies*".

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly ⁽¹⁾
Garrett Ainsworth ⁽²⁾ <i>Chairman and Director</i> British Columbia, Canada	Chairman & Director of the Company (2022 – present) President, CEO & Director of District Metals Corp. (2018 – present) VP, Exploration and Development, NexGen Energy Ltd. (2014 – 2018)	Since May 25, 2022	1,760,000 Common Shares
Matthew C. Schwab <i>Chief Executive Officer and Director</i> British Columbia, Canada	CEO & Director of the Company (2022 – present) Co-Founder and Sr. VP Axiom Exploration Group Ltd. (2018 – 2022)	Since September 6, 2022	1,250,000 Common Shares
Jesse Hahn ⁽²⁾ <i>Director</i> Alberta, Canada	Professional Agrologist	Since June 1, 2017	75,000 Common Shares
Vivien Chuang, CPA, CA <i>Chief Financial Officer and Director</i> British Columbia, Canada	Accountant	Since May 6, 2022	250,000 Common Shares
Jay Sujir ⁽²⁾ <i>Director</i> British Columbia, Canada	Partner, Farris LLP	Since January 27, 2022	2,525,500 Common Shares

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five (5) years.
- (2) Member of Audit Committee.

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

Director Biographies

Garrett Ainsworth – Chairman and Director

Mr. Ainsworth is an accomplished professional geologist and mining executive that has been awarded for two significant mineral discoveries and has raised more than \$300M in equity and convertible debt throughout his career. Mr. Ainsworth is currently President, CEO and Director of District Metals Corp.

Prior to joining Kraken Energy Corp., Mr. Ainsworth was Vice President Exploration & Development at NexGen Energy Ltd. where he led the technical team and was involved with marketing and raising capital. For his technical work at NexGen, Mr. Ainsworth was co-recipient of the 2018 PDAC Bill Dennis Award, and the 2016 Mines and Money Exploration Award. Prior to NexGen, Mr. Ainsworth was the Vice President Exploration at Alpha Minerals Inc., and project managed the discovery of the Patterson Lake South high-grade uranium boulder field and drill discovery of the Triple R Uranium deposit. Mr. Ainsworth was named co-recipient of the AMEBC Colin Spence Award in 2013 for his lead role in the discovery of Triple R.

Mr. Ainsworth is currently a Director of Au Gold Corp. and a Technical Advisor with Summa Silver. He was previously a Director of Standard Uranium Ltd. from 2018 to 2021, as well as a Director of IsoEnergy Ltd. and NxGold Ltd. from 2016 to 2018. Mr. Ainsworth is an Institute of Corporate Directors, Director (ICD.D), and a Professional Geoscientist (PGeo) in the Province of British Columbia. He also holds a Diploma of Technology in Mining and Bachelor of Technology in Environmental Engineering with honours from BCIT, and a Bachelor of Science in Geology with first class honours from Birkbeck, University of London.

Matthew C. Schwab – Chief Executive Officer and Director

Mr. Schwab is an accomplished geologist with extensive exploration and executive experience. Mr. Schwab was previously Co-Founder and Senior Vice President of Axiom Exploration Group Ltd., an international consulting firm focused on the provision of geological, geophysical, and environmental services to the natural resources and mineral exploration sectors. And prior to Axiom, he was a Senior Exploration Geologist at NexGen Energy Ltd. who was instrumental in the targeting and discovery of the Arrow uranium deposit in February of 2014.

Mr. Schwab was a member of the development team with Hathor Exploration Ltd., which contributed to the sale of the Roughrider deposit to Rio Tinto in November of 2011 for \$654M; as well as the former President, Senior Advisor, and Founder of multiple successful private consulting firms in the mineral exploration and E&P sectors of the Canadian mining and petroleum industries.

Jesse Hahn – Director

Mr. Hahn is an entrepreneur with a BSc in Environmental Science with a focus on Environmental Economics & Policy. Mr. Hahn has worked in the agriculture sector liaising between industry and farmers administering carbon credit/offset programs as well as business development in emerging technology and natural resource industries. He is a Professional Agrologist in good standing with the Alberta Institute of Agrologists.

During the last five years, Mr. Hahn was a former director of Sennen Potash Corporation (TSX.V: SN) and Remington Resource Inc. (TSX.V: RGM), Canamera Energy Metals Corp. (formerly High Point Exploration Inc.) (CSE: EMET) and E79 Resources Corp. (formerly Top Exploration Inc.) (CSE: ESNR). Mr. Hahn currently is CFO and director of Waraba Gold Corp. (formerly Zenith Exploration Inc.) (CSE: WBGD), Prisma Exploration Inc (CSE: PMS) and director of Kraken Energy Corp. (CSE: UUSA). All these companies are in the business of exploration of mineral resources. Canamera Energy Metals Corp. and E79 Resources Corp. are former subsidiaries of Waraba Gold Limited.

Vivien Chuang – Director

Ms. Chuang is a Chartered Accountant (British Columbia, Canada) with more than fifteen years of experience in the resource and mining sector. Her experience includes serving as Chief Financial Officer of Azincourt Energy Corp., a uranium developer in the world-class Athabasca Basin uranium district of Canada. Ms. Chuang also served as Chief Financial Officer of Northern Empire Resources Corp., a Nevada-focused mining company that was acquired by Coeur Mining in 2018, Precipitate Gold Corp., K2 Gold Corporation (formerly West Melville Metals Inc.) and Chakana Copper Corp. (formerly Remo Resources Inc.). Ms. Chuang articulated with PricewaterhouseCoopers LLP and holds a Bachelor of Business Administration degree from Simon Fraser University.

Jay Sujir – Director

Jay Sujir is a securities and natural resources lawyer who has extensive experience in advising and assisting public companies. He has been a partner with Farris LLP since May 2015. From 1991 to May 2015, Mr. Sujir was a partner at Anfield, Sujir, Kennedy & Durno, LLP and its predecessor firms. Mr. Sujir obtained his Bachelor of Arts degree from the University of Victoria in 1981 with a double major in Economics and Philosophy and obtained his Bachelor of Law degree from the University of Victoria in 1985. He is a member of the Law Society of British Columbia and the Canadian Bar Association.

A shareholder can vote “FOR” all of these directors, vote “FOR” some of them and “WITHHOLD” for others, or “WITHHOLD” for all of them. Unless otherwise instructed, the named proxyholders will vote “FOR” the election of each of the proposed nominees set forth above as directors of the Company.

Cease Trade Orders or Bankruptcies

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

- was subject to a cease trade or similar order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to a cease trade or similar order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Jay Sujir was on the board of directors of Red Eagle Mining Corporation (“**Red Eagle**”) which was subject to a cease trade order issued by the British Columbia Securities Commission on November 20, 2018 for failure to file the interim financial statements, management’s discussion and analysis and certificate of interim filings for the period ended September 30, 2018.

No proposed director is, as at the date of this Circular, or has been within ten (10) years before the date of this Circular, a director or executive officer of any company (including the Company in respect of which the information circular is being prepared) 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.

Jay Sujir was on the board of directors of Red Eagle, which owned and operated the Santa Rosa mine in Columbia. Due to start up issues, Red Eagle had difficulty servicing its project debt and the mine was only able to commence commercial production on the basis of forbearances from the secured lenders. In August 2018, Red Eagle obtained a firm commitment from a third party to refinancing the debt with substantial concessions and co-operation from the secured lenders, but in October 2018 the third party defaulted on its commitment and as a result, the secured lenders withdrew their forbearances and appointed a receiver-manager over the assets of Red Eagle.

No proposed director has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

Within the 10 years before the date of this Circular, no proposed director is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:

- was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,

- or within a year of the proposed director 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
- has within 10 years before the date of the Circular become 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 the assets of the proposed directors.

Unless otherwise directed, the persons named in the enclosed form of Proxy intend to vote FOR the election of the Nominees. THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

Davidson & Company LLP., Chartered Professional Accountants, of 1200 – 609 Granville Street, Vancouver, BC V7Y 1H4, will be nominated at the Meeting for appointment as auditor of the Company to hold office until the close of the next annual general meeting of the Company at a remuneration to be fixed by the Board.

The Board unanimously recommends that the Shareholders vote for the re-appointment of Davidson & Company, as auditor of the Company, to hold office until the next annual general meeting of Shareholders, and to authorize the directors to fix their remuneration.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. Such disclosure is set forth below.

Audit Committee Charter

The Board has one standing committee, being the Audit Committee. A copy of the Audit Committee Charter of the Company is attached to this Circular as Schedule “A”.

Composition of Audit Committee

The current members of the Company’s Audit Committee are Garrett Ainsworth, Jesse Hahn and Jay Sujir.

A majority of the members of the Company’s Audit Committee are considered to be independent as determined in accordance with NI 52-110. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the Board’s reasonable opinion, interfere with the exercise of a member’s independent judgement. Jesse Hahn and Jay Sujir are each independent directors of Company. Garrett Ainsworth is not independent as he serves as the Company’s Chairman.

Each of the current members of the Company’s Audit Committee are considered to be financially literate.

Relevant Education and Experience

Each member of the Audit Committee has sufficient education and experience to have:

- an understanding of the accounting principles used by the Company to prepare its financial statements;
- the ability to assess the general application of those principles in connection with its financial statements;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

See disclosure under heading “*Director Biographies*” above for specific information.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made any recommendation to nominate or compensate an external auditor other than Davidson & Company LLP.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP Chartered Professional Accountants, to the Company to ensure auditor independence. The following table sets forth the fees paid by the Company to Davidson & Company, Chartered Professional Accountants, for audit and non-audit services rendered in the fiscal years ended June 30, 2022 and June 30, 2021.

Nature of Services	Fees paid to Auditor in year ended June 30, 2022	Fees paid to Auditor in year ended June 30, 2021
Audit Fees ⁽¹⁾	\$40,000	\$5,500
Audit Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$40,000	\$5,500

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transaction, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Reliance on Certain Exemptions

The Company is relying upon the exemptions in section 6.1 of NI 52-110 in respect of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) under NI 52-110.

CORPORATE GOVERNANCE

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

Board of Directors

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

The Board facilitates its independent supervision over management by holding regular meetings at which members of management or non-independent directors are not in attendance and by retaining independent consultants where it deems necessary. The independent Board members are Jesse Hahn and Jay Sujir. The non-independent members are Matthew Schwab (Chief Executive Officer) and Vivien Chuang (Chief Financial Officer).

Directorships

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

Name of Director	Name of Reporting Issuer	Exchange Listed
Vivien Chuang	Nil	Nil
Garrett Ainsworth	Au Gold Corp. District Metals Corp.	TSX Venture TSX Venture
Matthew Schwab	Nil	Nil
Jesse Hahn	Prisma Exploration Inc. Umdoni Exploration Inc. Waraba Gold Limited	CSE CSE CSE
Jay Sujir	Audrey Capital Corporation Baltic I Acquisition Corp. Collingwood Resources Corp. Golden Lake Exploration Inc. EarthLabs Inc. Gotham Resources Corp. Intrepid Metalsd Corp. Kenorland Minerals Ltd. KORE Mining Ltd. Kutcho Copper Corp. Libero Copper & Gold Corporation Outcrop Silver & Gold Corporation Vanadian Energy Corp. Zacapa Resources Ltd.	TSX Venture TSX Venture TSX Venture CSE TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture TSX Venture

Orientation and Continuing Education

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

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

Ethical Business Conduct

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current size of the Company’s operations, and the number of officers and consultants, allow the Board to monitor, on an ongoing

basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Company grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain breadth of experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this practice may be reviewed.

Compensation

Non-executive directors of the Company were not paid fees for the years ending June 30, 2022, and June 30, 2021. Directors of the Company will be reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of the Shareholders. The Corporation has obtained directors' and officers' liability insurance in favour of its directors.

Other Board Committees

The Board has no committees other than the Audit Committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

An informal process of assessing the performance of Board committees and individual directors is conducted by way of engagement and dialogue between the individual directors.

Board Diversity

The Company does not currently have a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities or members of visible minorities, being the "Designated Groups," as defined under the *Employment Equity Act* (Canada) as directors. Historically, the Company has not felt that such a policy was needed; however, it may consider adopting such a policy in the future.

When the Board selects candidates for executive or senior management positions or for director positions, it considers not only the qualifications, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Company's management or Board, as the case may be to perform efficiently and act in the best interest of the Company and its shareholders. The Company is aware of the benefits of diversity at the executive and senior management levels and on the Board, and therefore the level of representation of women, Aboriginal peoples, persons with disabilities and members of visible minorities is one factor taken into consideration during the search process for executive and senior management positions or for directors.

Given the size and early stage of the Company's development, the Company has not adopted a "target" number or percentage regarding women, Aboriginal peoples, persons with disabilities or members of visible minorities on the Board or in executive or senior management positions. In addition to diversity considerations, the Company considers candidates based on their qualifications, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.

There are at present no Aboriginal peoples, persons with disabilities or members of visible minorities on the Board or as executive officers of the Company, other than Ms. Vivien Chuang who is a visible minority. Ms. Chuang is the only female director and executive officer of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

The following compensation information is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in NI 51-102.

For the purposes of this Statement of Executive Compensation:

“**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.

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

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, requirements and was not acting in a similar capacity, at the end of that financial year.

Director and NEO Compensation

During the financial years ended June 30, 2022 and June 30, 2021, based on the definition above, the NEOs of the Company were, for June 30, 2022: Garrett Ainsworth Chairman, Matthew Schwab CEO, Vivian Chuang CFO and former CEO David Forest. For June 30, 2021, Brent Hahn was the Company’s CEO and Barry Hartley was its CFO. The directors of the Company who were not a NEO during the financial year ended June 30, 2022 were Jesse Hahn and Jay Sujir and for the year-ended June 30, 2021 Jesse Hahn and James McCrea were non-NEO directors.

Subsequent to June 30, 2022, the Company has made the following changes to its Board and management:

- David Forest resigned on September 6, 2022, and was replaced by Matthew Schwab as a director and CEO;
- Jan Urata resigned as Corporate Secretary on December 1, 2022; and replaced by Maria Wells.

Oversight and Description of Director and NEO Compensation

The Company compensates named executive officers in accordance with the terms of any employment agreements entered into with such individuals by the Company on the recommendation of the Board.

The Company does not offer any benefits or perquisites to its NEOs or directors other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

The primary goal of the Company’s executive compensation process is to attract and retain the key executives necessary for the Company’s long-term success, to encourage executives to further the development of the Company and its operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Company are base salary and incentive stock options. The Board is of the view that the two elements should be considered together when determining executive compensation.

Salaries for NEOs are determined by evaluating the time, effort and responsibilities of a NEO, with a view to the competitive marketplace. The Company seeks to set base salary at a level competitive enough to represent a fair compensation in the marketplace while ensuring such compensation reflects the development stage of the Company. For all employees, including NEOs, salary adjustments are considered by the Board but any adjustments to base salary are not guaranteed, and any adjustment includes consideration for individual performance and market conditions.

The Company’s objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation

dependent upon compensation levels based on recommendations of the CEO and the compensation committee. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options ("Options") are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options granted are determined by the Board based on recommendations put forward by the CEO. The Company emphasizes the provision of option grants to maintain executive motivation.

Table of Compensation excluding Compensation Securities

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company for the financial years ended June 30, 2022, and June 30, 2021. Options are disclosed under the heading *Stock Options and Other Compensation Securities* in this Circular.

Table of Compensation excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Brent Hahn <i>(Former CEO, Director and Interim CFO)</i>	2022	13,000	Nil	Nil	Nil	Nil	13,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Barry Hartley <i>(Former CFO and Director)</i>	2022	13,000	Nil	Nil	Nil	Nil	13,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Jesse Hahn <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
James McCrea <i>(Former Director)</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
David Forest	2022	100,000	Nil	Nil	Nil	Nil	100,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Garrett Ainsworth <i>Chairman and Director</i>	2022	5,000	Nil	Nil	Nil	Nil	5,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Matthew Schwab <i>CEO and Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Vivian Wei-Li Chuang <i>CFO and Director</i>	2022	32,357	Nil	Nil	Nil	Nil	32,357
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Jay Sujir <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Employment, Consulting and Management Agreements

Matthew Schwab

The Company entered into an Executive Employment Agreement dated September 5, 2022 with Matthew Schwab in respect of the services provided by Matthew Schwab in his role as Chief Executive Officer (the “Executive”). Pursuant to the Agreement, Matthew Schwab receives an annual salary of CDN \$235,000 (subject to withholdings and deductions).

The Executive will be eligible to participate in the Company’s annual bonus plan. The Performance bonus will be up to 50% of the Executive’s base salary and may be adjusted based on the Executive’s performance during the year.

The Agreement may be terminated at any time for just cause. If the Company terminates the Executive for just cause, the Company shall pay the Executive all the Base Salary, vacation pay, and other accrued but unpaid compensation fully earned and payable to the Executive up to the Date of Termination. The Executive may resign from his employment by providing the Company with one (1) months’ notice in writing. The Company may elect to waive the notice, in whole or in part, and have the Executive’s employment terminate prior to the end of the Resignation Notice Period. In such circumstances, the Company will pay the Executive an amount equal to the compensation he would have received had he remained employed during the Resignation Notice Period. In the event that the Share Transfers are not completed within 60 days of the date of this Agreement, the Executive may resign from his employment immediately upon notice in writing to the Company. The Company may terminate the Executive’s employment at any time and for any reason without just cause, by providing the Executive with notice of termination (or, in the Company’s sole discretion, Base Salary in lieu of such notice) equivalent to 6 months’ notice of termination.

If there is a change of control, whereby another person or group, change the majority of Board, sale of all or substantially all of the Company’s assets, reorganization or merger transaction which result in the termination of the Executive the Company will pay 12 months of the Executive’s Base Salary, plus the Executives target bonus for the applicable year in which the resignation or termination occurs.

Vivien Chuang

The Company entered into a Consultancy Services Agreement dated effective February 17, 2022 and revised on May 1, 2022, with VC Consulting Corp. in respect of the services provided by Vivien Chuang in her role as Chief Financial Officer. Pursuant to the Consultancy Services Agreement VC Consulting Corp. receives a monthly fee of \$9,500 (plus GST).

The consulting agreement may be terminated on 60 days’ written notice by either the consultant or the Company. In case of termination, the consultant shall make all reasonable efforts to complete any projects, assignments, or other work in progress. In the event of such termination initiated by the consultant, the consultant shall be paid for any portion of the services that have been performed prior to the termination. In the event of such termination initiated by the Company, the consultant shall be paid for any portion of the monthly fees up to date of termination.

If there is a change of control whereby another person or group, change in majority of Board, sale of all or substantially all of the Company’s assets, reorganization or merger transaction, which results in the termination of the consultant, the Company will pay five months of the monthly fees to VC Consulting Corp.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended June 30, 2022 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	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
Vivien Wei-Li Chuang	Options	500,000	March 24, 2022	0.90	N/A	N/A	March 24, 2027

Exercise of Compensation Securities by Directors and NEOs

During the financial year ending June 30, 2022, none of the Named Executive Officers or directors exercised any Options.

Stock Option Plan

10% “rolling” Stock Option Plan (Option-Based Awards)

On March 29, 2022, the Board approved the Company’s 10% “rolling” stock option plan (the “**Stock Option Plan**”), which was subsequently approved by the Company’s shareholders at its annual general meeting held May 6, 2022. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees, management company employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that, subject to the requirements of the CSE, the aggregate number of securities reserved for issuance will be 10% of the number of the Company’s common shares issued and outstanding from time to time. The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

Options may be granted under the Stock Option Plan to such service providers of the Company and their affiliates, if any, as the Board may from time to time designate. The exercise price of option grants will be determined by the Board, will not be less than the closing market price of the Shares on the CSE less allowable discounts at the time of grant. The Stock Option Plan provides that the number of Shares that may be reserved for issuance to any one individual upon exercise of all stock options held by such individual may not exceed 5% of the issued Shares. All options granted under the Stock Option Plan will expire not later than the date that is five years from the date that such options are granted. Options terminate earlier as follows: (i) 90 days from date of termination other than for cause; or (ii) one year from the date of death. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

Pension Disclosure

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has one equity compensation plan, being the Stock Option Plan, as described in this Circular. The Company is seeking shareholder approval at the Meeting to ratify and approve the continuation of the Stock Option Plan.

The following table sets forth details of the Company’s equity compensation plan information as of June 30, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans not approved by the securityholders	1,650,000	\$0.94	3,764,709
Total	1,650,000	\$0.94	3,764,709

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof in respect of any securities purchase arrangement.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the fiscal year ended June 30, 2022, nor do they have any interest in any material transaction in the current year other, than as set out herein and in a document previously disclosed to the public or as described below.

On February 24, 2022, the Company completed the acquisition of all the issued and outstanding securities of 1330038 B.C. Ltd. (“**BCCO**”) pursuant to the terms of a share exchange agreement dated February 17, 2022 between the Company, BCCO and the shareholders of BCCO. In connection with the acquisition, the Company issued an aggregate of 5,000,000 common shares in the capital of the Company (the “**Payment Shares**”) pro rata to the BCCO shareholders at a deemed price of \$0.38 per Payment Share. The acquisition constituted a “related party transaction” as such term is defined by MI 61-101 – *Protection of Minority Security Holders in Special Transactions* given that David Forest, the CEO and a director of the Company, was the sole director and a shareholder of BCCO and, prior to the transaction, owned 30% of BCCO’s common shares, and Jay Sujir, a director of the Company, was a shareholder of BCCO and, prior to the transaction, owned 20% of BCCO’s common shares. For more information, see the Company’s Material Change Report dated February 25, 2022, which may be found under the Company’s profile on SEDAR at www.sedar.com.

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

The meeting is being held for the following purposes:

- A. To receive the audited financial statements of the Company for the fiscal year ending June 30, 2022, together with the auditors' report (refer to page 7);
- B. To fix the number of directors at five (5) (refer to page 7 and 8);
- C. To elect Directors of the Company for the ensuing year (refer to page 7 and 8);
- D. To re-appoint Davidson & Company LLP as the Company's auditors for the ensuing fiscal year at a remuneration to be fixed by the directors (refer to page 11); and,
- E. to approve for continuation the Company's 10% "rolling" Stock Option Plan, as described in the accompanying Circular.

10% Rolling Stock Option Plan

The principal purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, employees and consultants of the Company and of its subsidiaries or affiliates, if any, by providing them with the opportunity, through options, to acquire Common Shares in the share capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

For a summary of the terms of the Stock Option Plan see "*Statement of Executive Compensation – Stock Options and Other Compensation Securities,*" above.

Stock Option Plan Resolution

At the Meeting, the shareholders will be asked to pass an ordinary resolution to approve the continuation of the Company's 10% "rolling" Stock Option Plan, with or without variation, as follows:

"RESOLVED, as an ordinary resolution of the shareholders of the Company, that:

1. the continuation of the Company's 10% "rolling" Stock Option Plan dated March 29, 2022, is hereby approved; and
2. any one director or officer of the Company be and is hereby authorized and directed to perform all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution including, without limitation, making any changes to the Stock Option Plan required by applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan."

An ordinary resolution requires a majority of the votes cast at the Meeting of the Company's shareholders, in person or represented by proxy.

The Board unanimously recommends shareholders vote FOR the above resolution approving the Stock Option Plan Resolution.

Proxies received in favour of management will be voted in favour of the Stock Option Plan Resolution unless the shareholder has specified in the Proxy that his or her Common Shares are to be voted against such resolution.

OTHER MATTERS

As of the date of this Circular, Management of the Company is not aware of any other matters which may come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the Common Shares represented thereby in accordance with their best judgement on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's profile on SEDAR at www.sedar.com. Financial information about the Company is provided by the Company's annual financial statements for the years ended June 30, 2022 and June 30, 2021 and related management discussion and analysis. Additional financial information or documentation may be obtained by any securityholder of the Company free of charge by contacting the Company.

The contents of this Circular have been approved and its mailing authorized by the Directors of the Company.

DATED at Vancouver, British Columbia, as at December 20, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

“Matthew Schwab”

Matthew Schwab
Chief Executive Officer

SCHEDULE "A"

KRAKEN ENERGY CORP. (the "Company")

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the audit committee (the "**Audit Committee**") of the directors of the Company (the "**Board**") is to provide an open avenue of communication between management, the Company's independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- the Company's compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company's independent auditor.

The Audit Committee shall also perform any other activities consistent with this Charter, the Company's articles and governing laws as the Audit Committee or Board deems necessary or appropriate.

The Audit Committee shall consist of at least three directors. Members of the Audit Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Audit Committee shall elect a Chairman from among their number. A majority of the members of the Audit Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Audit Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Audit Committee may determine its own procedures.

The Audit Committee's role is one of oversight. Management is responsible for preparing the Company's financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor's responsibility is to audit the Company's financial statements and provide its opinion, based on its audit conducted in accordance with IFRS, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Audit Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company's financial statements, preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Audit Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Audit Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Audit Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.

2. Review the appointments of the Company's CFO and CEO and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure,
 - internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.