

PRISMA EXPLORATION INC.

INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of **December 18, 2023**.

This Information Circular is being mailed by the management of PRISMA EXPLORATION INC. (the “Company” or “Prisma”) to shareholders of record at the close of business on December 18, 2023, which is the date that has been fixed by the directors of the Company as the record date to determine the shareholders who are entitled to receive notice of the meeting. The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of management of the Company for use at its annual general meeting of shareholders to be held on **Thursday, January 25, 2023**, at 10:00 a.m. (Pacific Time) at 750 West Pender Street, Suite 401, Vancouver, British Columbia, V6C 2T7 (the “**Meeting**”). The solicitation of proxies will be primarily by mail. Certain employees or directors of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

Under the Company’s Articles, the quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting. If such a quorum is not present in person or by proxy, the Meeting will be rescheduled.

The Company is not relying on the “Notice and Access” delivery procedures outlined in National instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the “**NI 54-101**”) to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

PART 1 - VOTING

WHO CAN VOTE?

If you are a registered shareholder of the Company as at **December 18, 2023**, you are entitled to notice of and to attend the Meeting and cast a vote for each share registered in your name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer’s authority should be presented at the Meeting. If you are a registered shareholder but do not wish to, or cannot, attend the Meeting in person you can appoint someone who will attend the Meeting and act as your proxyholder to vote in accordance with your instructions (see “**Voting By Proxy**” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer, financial institution or other intermediary) you should refer to the section entitled “**Non-registered Shareholders**” set out below.

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

IN PERSON AT THE MEETING

The Meeting will be held at 750 West Pender Street, Suite 401, Vancouver, British Columbia, at the Meeting Time.

VOTING BY PROXY

If you do not come to the Meeting, you can still make your votes count by appointing someone who will attend to act as your proxyholder. You can either advise such person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return the completed form of proxy to the Company's transfer agent, Endeavor Trust Corporation, Suite 702, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, by fax: (604) 559-8908, email: proxy@endeavortrust.com, or online (www.eproxy.ca) not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time fixed for the Meeting or any adjournments thereof.

What Is A Proxy?

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

Appointing A Proxyholder

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder (the "**Management Proxyholders**"). Those persons are directors, officers or other authorized representatives of the Company.

Instructing Your Proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you provide contrary instructions, vote your shares IN FAVOUR of each of the items of business being considered at the Meeting.

For more information about these matters, see Part 3 - The Business of the Meeting. **The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** At the time of printing this Information Circular, the management of the Company is not aware of any other matter to be presented for action at the Meeting. If, however, other matters do properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing Your Mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company at 750 West Pender Street, Suite 401, Vancouver, British Columbia, V6C 2T7; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. in the afternoon (Pacific Time) on the last business day before the day of the Meeting, or any adjournment thereof, or delivered to the person presiding at the Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Meeting in person.

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

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Endeavor Trust Corporation, by:

- (a) mail or by hand to Suite 702, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4;
- (b) facsimile to 604-559-8908;
- (c) email to proxy@endeavortrust.com; or
- (d) vote online at www.eproxy.ca.

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

NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting. In many cases, however, common shares beneficially owned by a holder (a “**Non-Registered Holder**”) are registered either:

- (a) in the name of an Intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; OR
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “**Non-Objecting Beneficial Owners**” or “**NOBOs**”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “**Objecting Beneficial Owners**” or “**OBOs**”.

Pursuant to NI 54-101 of the Canadian Securities Administrators, the Company has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) to Intermediaries for onward distribution to Non-Registered Holders. Intermediaries that receive the proxy-related materials are required to forward the proxy-related materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Non-Registered Holders.

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The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

Generally, Non-Registered Holders who have not waived the right to receive proxy-related materials (including OBOs who have made the necessary arrangements with their Intermediary for the payment of delivery and receipt of such proxy-related materials) will be sent a voting instruction form which must be completed, signed

and returned by the Non-Registered Holder in accordance with the Intermediary's directions on the voting instruction form. In some cases, such Non-Registered Holders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. This form of proxy does not need to be signed by the Non-Registered Holder, but, to be used at the Meeting, needs to be properly completed and deposited with Computershare as described under "**Voting By Proxy**" above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including instructions regarding when and where the voting instruction form or Proxy form is to be delivered.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of common shares without par value. At the close of business on **December 18, 2023**, **7,160,901** common shares were issued and outstanding. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on **December 18, 2023**, the date fixed by the Company's directors as the record date for determining who is entitled to receive notice of and to vote at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Endeavor Trust Corporation and will be available at the Meeting.

To the best knowledge of the Company's directors or executive officers, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Company, except as follows:

Name	Number of Shares ⁽¹⁾	Percentage of Outstanding Common Shares ⁽¹⁾
Alfred Gregorian	1,403,500	19.60%
David Eaton	1,005,000	14.03% ⁽²⁾

- (1) Information as to ownership of the Company's shares has been taken from the list of registered shareholders maintained by the Company's transfer agent.
- (2) 205,000 common shares are held by Mr. Eaton directly, 800,000 common shares are held by Anne-Marie Parfitt, Mr. Eaton's spouse.

PART 3 - THE BUSINESS OF THE MEETING

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended December 31, 2022 will be presented to shareholders at the Meeting. These audited financial statements are available at www.sedarplus.ca.

Pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* and NI 54-101, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the accompanying financial statements request form and return it to the Company.

ELECTION OF DIRECTORS

Number of Directors

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company currently has **five (5)** directors. All **five (5)** directors are being put forward by management of the Company for election at the Meeting.

The Company's management recommends that the shareholders vote in favour of the resolution setting the number of directors at five (5). Unless you provide instructions to the contrary, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at five (5).

Nominees for Election

The following are the nominees proposed for election as directors of the Company together with the number of common shares, stock options and common share purchase warrants that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the Meeting for election and, in that event, the persons designated in the

form of proxy will vote in their discretion for a substitute nominee.

<i>Name, Province and Country of ordinary residence, and positions held with the Company</i>	<i>Principal occupation and, IF NOT an elected Director, principal occupation during the past five years⁽¹⁾</i>	<i>First Appointed as Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾</i>
David Eaton British Columbia, Canada <i>CFO and Director</i>	Self-Employed Businessman	March 21, 2018	1,005,000
Jesse Hahn⁽²⁾ Alberta, Canada <i>CEO & Director</i>	Independent businessman; Agrologist	October 6, 2020	Nil
James McCrea⁽²⁾ British Columbia, Canada <i>Director</i>	Independent Geologist	October 6, 2020	Nil
Barry Hartley British Columbia, Canada <i>Director</i>	Chartered Accountant	January 19, 2023	Nil
Jan Michelle Bikic⁽²⁾ British Columbia, Canada <i>Director</i>	Self-Employed Businesswoman	July 4, 2023	Nil

1) This information, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

2) Audit Committee member.

3) Mr. Eaton owns 205,000 Common Shares directly and beneficially controls 800,000 Common Shares, owned by Mr. Eaton's spouse.

Details of Directors Not Previously Elected by a Shareholder Vote

Barry Hartley

Mr. Hartley is a partner with Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, which has been his principal occupation for over the last five years. Mr. Hartley is a Chartered Professional Accountant and a Chartered Accountant. He holds B.Com (Honours) degree in accounting from the University of Johannesburg. Mr. Hartley has held numerous positions as CFO, director and president with listed companies.

Jan Michelle Bikic

Ms. Bikic is a highly accomplished individual with expertise in interior design, business ownership, luxury furniture sales, and investment. She holds a degree in Interior Design and has successfully owned and operated her own interior design company for two decades, earning accolades and a loyal clientele. Michelle is an experienced stock market investor, using her financial expertise to diversify and grow her personal portfolio in the ever-changing landscape of investment.

Recommendation

The Company's management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. Unless you provide instructions to the contrary, the Management Proxyholders intend to vote FOR the nominees named in this Information Circular.

APPOINTMENT OF THE AUDITOR

At the Meeting, Adam Sung Kim Ltd., Chartered Professional Accountant, located at Unit 168 – 4300 North Fraser Way, Burnaby, BC V5J 5J8, will be recommended by management and the board of Directors (the “**Board**”) for re-appointment as auditor of the Company at a remuneration to be fixed by the directors. See Part 5 – Audit Committee – External Auditor Service Fees.

Recommendation

The Company's management recommends shareholders vote in favour of the appointment of Adam Sung Kim Ltd., Chartered Professional Accountant, as the Company's auditor for the ensuing year and grant the Board the authority to determine the remuneration to be paid to the auditor. Unless you provide instructions to the contrary, the Management Proxyholders intend to vote FOR the appointment of Adam Sung Kim Ltd., Chartered Professional Accountant, to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board to fix the remuneration to be paid to the auditor.

PART 4 – STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

For the purpose of this Statement of Executive Compensation:

“**Company**” means Prisma Exploration Inc.;

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

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

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

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

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 (\$)
David Eaton ⁽¹⁾ <i>CFO, Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Jesse Hahn ⁽²⁾ <i>CEO, Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
James McCrea ⁽³⁾ <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Barry Hartley ⁽⁴⁾ <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	n/a	n/a	n/a	n/a	n/a	n/a
Jan Michelle Bikic ⁽⁵⁾ <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	n/a	n/a	n/a	n/a	n/a	n/a
Brent Hahn ⁽⁶⁾ <i>former Director & CEO</i>	2022	50,000	Nil	Nil	Nil	Nil	50,000
	2021	Nil	Nil	Nil	Nil	Nil	Nil

1. David Eaton was appointed as a director on March 21, 2018 and appointed Chief Financial Officer on October 6, 2020.

2. Jesse Hahn was appointed as a director on October 6, 2020 and appointed Chief Executive Officer on July 4, 2023.

3. James McCrea was appointed as a director on October 6, 2020.

4. Barry Hartley was appointed as a director on January 19, 2023.

5. Jan Michelle Bikic was appointed as a director on July 4, 2023.

6. Brent Hahn ceased to be a Director on July 14, 2023, replaces by Jan Michelle Bikic on the same date.

Stock Options and Other Compensation Securities

The Company did not grant or issue any compensation securities to any director or NEO during the financial year ended December 31, 2022. No compensation securities were outstanding as at December 31, 2022.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended December 31, 2022.

Stock Option Plans and Other Incentive Plans

The Directors of the Company adopted a stock option plan on March 1, 2021 (the “**Stock Option Plan**”). 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 Exchange, the aggregate number of securities reserved for issuance will be 10% of the number of the Company's Common Shares issued and outstanding at the time such options are granted.

The Stock Option Plan will be administered by the Company's Board of Directors, which will have full and final authority with respect to the granting of all options thereunder. The continuation of the Stock Option Plan requires annual shareholder approval by ordinary resolution at each annual meeting of the Issuer.

Eligible Optionees

To be eligible to receive a grant of Options under the Stock Option Plan, regulatory authorities require an Optionee to be either a director, officer, employee, consultant or an employee of a company providing management or other services to the Issuer or a subsidiary at the time the Option is granted.

Options may be granted only to an individual eligible, or to a non-individual that is wholly-owned by individuals eligible, for an Option grant. If the Option is granted to a non-individual, it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the Option remains in effect.

Restrictions

The Stock Option Plan is a 10% rolling plan and the total number of Common Shares issuable upon exercise of Options under the Stock Option Plan cannot exceed 10% of the Issuer's issued and outstanding Common Shares on the date on which an Option is granted, less Common Shares reserved for issuance on exercise of Options then outstanding under the Stock Option Plan. The Stock Option Plan is also subject to the following restrictions:

- (a) The Issuer must not grant an Option to a director, employee, consultant, or consultant company (the "**Service Provider**") in any 12-month period that exceeds 5% of the outstanding Common Shares of the Issuer, unless the Issuer has obtained approval by a majority of the votes cast by all shareholders of the Issuer at the shareholders' meeting excluding votes attached to Common Shares beneficially owned by Insiders of the Issuer and their Associates ("**Disinterested Shareholder Approval**").
- (b) The aggregate number of Options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 1% of the outstanding Common Shares calculated at the date of the grant, without prior regulatory approval.
- (c) The Issuer must not grant an Option to a Consultant in any 12 month period that exceeds 1% of the outstanding Common Shares calculated at the date of the grant of the Option.
- (d) The aggregate number of Common Shares reserved for issuance under Options granted to Insiders must not exceed 10% of the outstanding Common Shares (if the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so.
- (e) The number of Common Shares issued to Insiders upon exercise of Options in any 12 month period must not exceed 10% of the outstanding Common Shares (if the Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Issuer has obtained Disinterested Shareholder Approval to do so.
- (f) The issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Issuer has obtained Disinterested Shareholder Approval to do so.

- (g) The exercise price of an Option previously granted to an Insider must not be reduced, unless the Issuer has obtained Disinterested Shareholder Approval to do so.
- (h) The Issuer may implement such procedures and conditions as the Board deems appropriate with respect to withholding and remitting taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law.

Material Terms of the Stock Option Plan

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

- (a) persons who are Service Providers to the Issuer or its Affiliates, or who are providing services to the Issuer or its Affiliates, are eligible to receive grants of Options under the Stock Option Plan;
- (b) all Options granted under the Stock Option Plan expire on a date not later than 10 years after the issuance of such Options. However, should the expiry date for an Option fall within a trading Blackout Period (as defined in the Stock Option Plan, generally meaning circumstances where sensitive negotiations or other like information is not yet public), within 9 business days following the expiration of a Blackout Period;
- (c) for Options granted to Service Providers, the Issuer must ensure that the proposed Optionee is a bona fide Service Provider of the Issuer or its Affiliates;
- (d) an Option granted to any Service Provider will expire within 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Issuer, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Issuer;
- (e) if an Optionee dies, any vested Option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) the exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Discounted Market Price (as defined in the Stock Option Plan);
- (h) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Issuer or its Affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Issuer or its Affiliates during the vesting period; or (ii) the Service Provider remaining as a director of the Issuer or its Affiliates during the vesting period;
- (i) in the event of a take-over bid being made to the shareholders generally, immediately upon receipt of the notice of the take-over bid, the Issuer shall notify each Optionee currently holding any Options, of the full particulars of the take-over bid, and all outstanding Options may, notwithstanding the vesting terms contained in the Stock Option Plan or any vesting requirements subject to regulatory approval; and
- (j) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all Common Shares reserved under the Stock Option Plan in respect of Options which have not yet been granted.

Under the Stock Option Plan, the Board may do the following, without obtaining shareholder approval:

- (a) amend the Stock Option Plan to correct typographical, grammatical or clerical errors;

- (b) change the vesting provisions of an Option granted under the Stock Option Plan, if applicable;
- (c) change the termination provision of an Option granted under the Stock Option Plan if it does not entail an extension beyond the original expiry date of such Option;
- (d) make such amendments to the Stock Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Issuer;
- (e) make such amendments as may otherwise be permitted by regulatory authorities;
- (f) if the Issuer becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (g) amend the Stock Option Plan to reduce the benefits that may be granted to Service Providers

As at the financial year end of **December 31, 2022**, and the date of this Circular, there were no stock options issued and outstanding.

Employment, consulting and management agreements

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

Termination and Change of Control Benefits

The Company does not have a compensation plan, contract, or arrangement where a NEO is entitled to receive more than \$50,000 to compensate such executive officers in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in the NEOs responsibilities.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have a formal compensation program. The Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations with respect to the compensation of the Company's executive officers. The Board is responsible for all matters relating to the compensation of the directors and executive officers of the Company with respect to: (i) general compensation goals and guidelines and the criteria by which bonuses and stock compensation awards are determined; (ii) amendments to any equity compensation plans adopted by the Board and changes in the number of shares reserved for issuance thereunder; and (iii) other plans that are proposed for adoption or adopted by the Company for the provision of compensation. The general objectives of the Company's compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other diversified industry companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a diversified industry company without a history of earnings.

Pension disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

PART 5 - AUDIT COMMITTEE

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

AUDIT COMMITTEE CHARTER

The text of the Company’s Audit Committee Charter is attached as Schedule “A” to this Information Circular.

COMPOSITION OF AUDIT COMMITTEE

Jesse Hahn (Chair), James McCrea and Jan Michelle Bikic are members of the Company’s Audit Committee. Jesse Hahn is an executive officer of the Company and is not considered independent. James McCrea and Jan Michelle Bikic are not executive officers of the Company and, therefore, are independent members of the Audit Committee (as that term is defined in 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 view of the Board, reasonably interfere with the exercise of a member’s independent judgment.

All members of the audit committee are considered to be financially literate. All of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

RELEVANT EDUCATION AND EXPERIENCE

All of the Audit Committee members are senior-level businesspeople with experience in financial matters; each has an understanding of accounting principles used by the Company to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors of public companies other than the Company. See Part 6 - Corporate Governance – Directorships in Other Public Companies.

Jesse Hahn

Jesse Hahn holds a BSc in Environmental Science with a focus on Environmental Economics & Policy. He brings over a decade of experience in agrology, waste management, reclamation and business development in emerging technology industries. He is a Professional Agrologist in good standing with the Alberta Institute of Agrologists. He gained financial literacy through education and experience.

James McCrea

Mr. McCrea has been a professional geoscientist since 1994, and he is a member in good standing with the Engineers and Geoscientists British Columbia. He has held director and Qualified Person (P.Geo) positions with numerous companies. He gained financial literacy through experience. In accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Project, he is considered a Qualified Person.

Jan Michelle Bikic

Ms. Bikic is a highly accomplished individual with expertise in interior design, business ownership, luxury furniture sales, and investment. She holds a degree in Interior Design and has successfully owned and operated her own interior design company for two decades. Michelle is an experienced stock market investor, using her financial expertise to diversify and grow her personal portfolio in the ever-changing landscape of investment.

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 any external auditor not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), in subsection 6.1.1(4) of NI 52-110 (Circumstance Affecting the Business or Operations of the Venture Issuer), in subsection 6.1.1(5) of NI 52-110 (Events Outside Control of Member), in subsection 6.1.1(6) of NI 52-110 (Death, Incapacity or Resignation), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions). The Company, as a 'venture issue' as defined in NI 52-110, has relied on the exemption set forth in section 6.1 of NI 52-110 with respect to the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES

The Audit Committee is authorized by the Board to pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries as described in the Company's Audit Committee Charter attached as Schedule "A" to this Information Circular.

EXTERNAL AUDITOR SERVICE FEES

In the following table, "Audit Fees" are fees billed by the Company's external auditors for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related Fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax Fees" are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditors for products and services not included in the foregoing categories. The fees paid by the Company to its auditors in each of the last two financial years, by category, are as follows:

	Financial Year Ending Dec 31	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
Adam Sung Kim Ltd., Chartered Professional Accountant	2022	\$6,377	\$Nil	\$2,923	\$Nil
	2021	\$7,350	\$4,725	\$Nil	\$Nil

PART 6 - CORPORATE GOVERNANCE

GENERAL

Corporate governance refers to the policies and structure of the Board 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 from executive management and the adoption of policies to ensure the Board 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.

National Policy 58-201 - *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting companies such as the Company. In addition, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* prescribes certain disclosure by the Company of its corporate

governance practices. This disclosure is presented below in accordance with the requirements of Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

THE BOARD OF DIRECTORS

As at the date of this Information Circular, the Board consisted of **five (5)** directors. These directors are David Eaton, Jessie Hahn, James McCrea, Barry Hartley and Jan Michelle Bikic.

NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship that could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the proposed nominees, Jesse Hahn who also serves the Company as Chief Executive Officer, and David Eaton who also serves the Company as Chief Financial Officer, are executive officers and, as such are considered not to be "independent". James McCrea, Barry Hartley and Jan Michelle Bikic are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to have a majority of independent Board members and enhance the quality of the Company's corporate governance.

The Company does not currently have a Chair of the Board and given the current size of the Board, does not consider that a Chair is necessary. The independent directors exercise their responsibilities for independent oversight of management and are provided with leadership through their positions on the Board. The Board will consider appointing an "independent" member as Chair at such time as it believes that such a position is required.

Management was delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff, and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management through meetings of the Board and by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board as a whole reviews executive compensation and recommends stock option grants accordingly.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES

Certain of the Board nominees are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)	Exchange
David Eaton	Allied Copper Corp. Penbar Capital Ltd. Jayden Resources Inc. LDB Capital Corp. VEXT Science, Inc.	TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange Canadian Securities Exchange
Jesse Hahn	Canamera Energy Metals Corp. Kraken Energy Corp. Umdoni Exploration Inc.	Canadian Securities Exchange Canadian Securities Exchange Canadian Securities Exchange
James McCrea	Juggernaut Exploration Ltd. Umdoni Exploration Inc.	TSX Venture Exchange Canadian Securities Exchange

	Stamper Oil & Gas Corp.	TSX Venture Exchange
Barry Hartley	Pure Extraction Corp. Umdoni Exploration Inc. Stamper Oil & Gas Corp.	Canadian Securities Exchange Canadian Securities Exchange TSX Venture Exchange
Jan Michelle Bikic	n/a	n/a

ORIENTATION AND CONTINUING EDUCATION

The Company has not yet developed an official orientation or training program for new directors. New directors have the opportunity to discuss with current management and directors the nature of the Company's business, its corporate strategy in terms of short, medium, and long term corporate objectives, business risks, corporate governance guidelines and current issues within the Company. Board members and new directors have full access to the Company's records. If the growth of the Company warrants it, it is likely that a more formal orientation process will be implemented.

ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, the common law, and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

NOMINATION OF DIRECTORS

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual general meeting. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors as a whole has the responsibility of determining compensation for the Chief Executive Officer and Chief Financial Officer and of determining compensation for directors and senior management. As at the financial year ended December 31, 2022, the Company had five (5) directors, two (2) of whom were also Named Executive Officers. For a description of the compensation paid to the Named Executive Officers

of the Company who also act as directors, see Section 4 – Statement of Executive Compensation – Director and NEO Compensation.

COMMITTEES OF THE BOARD OF DIRECTORS

The Company has no other 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 of the Board.

PART 7 - OTHER INFORMATION

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2022:

Equity Compensation Plan Information			
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	716,090	N/A	716,090
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	716,090	N/A	716,090

1. Represents the number of Common Shares available for issuance under the Option Plan, which reserves a number of Common Shares for issuance, pursuant to the exercise of Options that is equal to 10% of the issued and outstanding Common Shares from time to time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year ended **December 31, 2022**, and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than “routine indebtedness”, as that term is defined by applicable securities legislation; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of our last completed financial year, none of the other insiders of the Company and no

associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors.

INTEREST 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.

MANAGEMENT CONTRACTS

The Company has no management agreements or formal arrangements or agreements under which the management functions of the Company are performed other than by the Company's directors and executive officers.

PENALTIES AND SANCTIONS

As at the date of this Information Circular no proposed nominee for election as a director of the Company (nor any of his or her personal holding companies) has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

Except as summarized below, no proposed nominee for election as a director of the Company is, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company and any personal holding company of the proposed director) that, while that person was acting in that capacity:

- (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”); or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (c) a director or executive officer of any company (including the Company) and any personal holding company of the proposed director) 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.

Barry Hartley is the CFO and a director of the Company. On March 8, 2016, the British Columbia Securities Commission (the “**BCSC**”) and on March 11, 2018, the Ontario Securities Commission (the “**OSC**”) (collectively, the “**Commissions**”) issued a cease trade order (the “**CTO**”) against the Company (formerly MJ Bioscience Corp.), its directors, officers and insiders for failure of the Company to file its audited financial statements and management’s discussion & analysis and related certifications for the years ended October 31, 2015, October 31, 2016, and October 31, 2017 (collectively, the “**Financial Materials**”). The Company filed the Financial Materials with the Commissions and the CTO was lifted by the Commissions on June 19, 2018.

Jesse Hahn, is a director of the Company. On March 8, 2016, the British Columbia Securities Commission (the “**BCSC**”) and on March 11, 2018, the Ontario Securities Commission (the “**OSC**”) (collectively, the “**Commissions**”) issued a cease trade order (the “**CTO**”) against the Company (formerly MJ Bioscience Corp.), its directors, officers and insiders for failure of the Company to file its audited financial statements and management’s discussion & analysis and related certifications for the years ended October 31, 2015, October 31, 2016, and October 31, 2017 (collectively, the “**Financial Materials**”). The Company filed the Financial Materials with the Commissions and the CTO was lifted by the Commissions on June 19, 2018.

PERSONAL BANKRUPTCY

No proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Financial information about the Company is included in the Company’s financial statements and Management’s Discussion and Analysis for the financial year ended **December 31, 2022**, which have been electronically filed with regulators and are available through the Internet on the SEDAR+ at www.sedarplus.ca. Copies may be obtained without charge upon request to the Company at 750 West Pender Street, Suite 401, Vancouver, British Columbia V6C 2T7 - telephone (604) 428-7050; fax (604) 428-7052. You may also access the Company’s public disclosure documents through the Internet on SEDAR+ at www.sedarplus.ca.

Dated at Vancouver, BC this 18th day of December 2023.

BY ORDER OF THE BOARD OF DIRECTORS:

“Jesse Hahn”

Jesse Hahn
CEO and Director

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

ARTICLE 1 PURPOSE

- 1.1 The Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Prisma Exploration Inc. (the “**Company**”) shall assist the Board in fulfilling its financial oversight responsibilities. The overall purpose of the Committee is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. In performing its duties, the Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each member of the Committee will obtain an understanding of the responsibilities of the Committee membership as well as the Company’s business, its operations and related risks.

ARTICLE 2 COMPOSITION, PROCEDURE, AND ORGANIZATION

- 1.1 The Committee shall consist of at least three members of the Board, the majority of whom are not officers or employees of the Company or of an affiliate of the Company.
- 1.2 All members of the Committee shall be financially literate as defined in NI 52-110 – Audit Committees or any successor policy.
- 1.3 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- 1.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- 1.5 The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- 1.6 The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- 1.7 Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as maybe requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

- 2.8 The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ARTICLE 3 ROLES AND RESPONSIBILITIES

- 3.1 The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and interim consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- 3.2 The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- 3.3 The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the external auditors have been implemented.
- 3.4 The Committee is also charged with the responsibility to:
- (a) review and approve the Company's annual and interim financial statements and related Management's Discussion & Analysis ("MD&A"), including the impact of unusual items and changes in accounting principles and estimates;
 - (b) review and approve the financial sections of any of the following disclosed documents prepared by the Company:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) annual MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
- 3.5 Without limiting the generality of anything in this Charter, the Committee has the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee, and
 - (c) to communicate directly with the Auditor.

ARTICLE 4 EFFECTIVE DATE

- 4.1 This Charter was implemented by the Board on March 1, 2021.