



# URIEL GAS

**NOTICE OF 2024 ANNUAL GENERAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

**Meeting to be held January 17, 2024**

**December 13, 2023**



URIEL GAS HOLDINGS CORP.

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of the shareholders of Uriel Gas Holdings Corp. (hereinafter called the “**Corporation**”) will be held on **January 17, 2024 at 10:00 a.m. (Calgary Time)** at the office of Dentons Canada LLP at 850 2nd Street SW, 15<sup>th</sup> Floor, Calgary, AB T2P 0R8, for the following purposes:

1. **Financial Statements.** To receive the audited financial statements of the Corporation for the financial year ended June 30, 2023 and June 30, 2022, together with the reports of the auditors on those financial statements.
2. **Number of Directors.** To set the number of directors at three (3) for the ensuing year.
3. **Election of Directors.** To elect the board of directors of the Corporation to serve until the next annual meeting of the Corporation or until their successors are duly elected or appointed.
4. **Auditors.** To re-appoint BDO Canada LLP, Chartered Professional Accountants as auditors of the Corporation for the ensuing year, and to authorize the directors to fix their remuneration.
5. **Other Business.** To transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters to be considered at the Meeting are set out in the management information circular dated December 13, 2023 (the “**Information Circular**”) and which is incorporated into this Notice. Accompanying this Notice and Information Circular is a form of proxy (“**Proxy**”) or voting instruction form (“**VIF**”) and a reply card for use by shareholders who wish to receive the Corporation’s annual and/or interim financial statements.

**Only shareholders of record at the close of business on December 13, 2023, are entitled to receive notice of and to vote at the Meeting or any adjournment thereof.** Shareholders should review the Information Circular before voting.

Shareholders of the Corporation who are unable to attend the Meeting in person are requested to date and sign the enclosed Proxy and to mail it to or deposit it with Odyssey Trust Corporation, 702 – 67 Yonge Street Toronto ON M5E 1J8 (Attention: Proxy Department), or by email at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com), by facsimile to 1-800-517-4553 (Attention: Proxy Department) or by internet at <https://vote.odysseytrust.com>. In order to be valid and acted upon at the Meeting, forms of proxy must be received at the aforesaid address or fax not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder’s risk.

**Only registered shareholders as at December 13, 2023 and their duly appointed proxyholders will be entitled to vote at the Meeting.**

**DATED** at Calgary, Alberta, as of this 13<sup>th</sup> day of December, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) “Gregory Kaiser”*

Gregory Kaiser  
Chief Executive Officer and Director



**URIEL GAS HOLDINGS CORP.**

Suite 2900, 500-4th Avenue SW  
Calgary, AB T2P 2V6  
Tel: (403) 875-8700

**MANAGEMENT INFORMATION AND PROXY CIRCULAR  
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON JANUARY 17, 2024**

This information is given as of December 13, 2023 unless otherwise noted.

**PERSONS MAKING THE SOLICITATIONS**

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies made by the management of URIEL GAS HOLDINGS CORP. (the “**Corporation**”) for use at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Corporation, to be held on **Wednesday, January 17, 2024**, at the time and location and for the purposes set forth in the accompanying Notice of Meeting (the “**Notice**”) and at any adjournment thereof.

The Corporation will conduct its solicitation primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will pay for the cost of solicitation, as applicable.

All references to shareholders in this Information Circular and the accompanying form of proxy (“**Proxy**”) or voting information form (“**VIF**”) and Notice (collectively the “**Notice Package**”), are to shareholders of record as at December 13, 2023 (the “**Record Date**”), unless specifically stated otherwise.

**APPOINTMENT OF PROXYHOLDER**

The individuals named in the accompanying Proxy are officers and/or directors of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT SUCH SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY COMPLETING ANOTHER PROXY.** Such shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and instruct the nominee on how the shareholder’s shares are to be voted. In any case, the Proxy should be dated and executed by the shareholder or the shareholder’s attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

A Proxy will not be valid for the Meeting or any adjournment thereof unless the completed Proxy is delivered to Odyssey Trust Corporation (the “**Transfer Agent**”) and delivered as follows:

1. **by mail or personal delivery** to Odyssey Trust Corporation 702 – 67 Yonge Street Toronto ON M5E 1J8 (Attention: Proxy Department);
2. **by email** to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) (requires both front and back of a signed proxy);

3. **by facsimile** to Odyssey Trust Corporation, (Attention: Proxy Department) at 1-800-517-4553 (requires both front and back of a signed proxy); or
4. **by internet** by going to <https://vote.odysseytrust.com> and following the online voting instructions given to you.

Proxies must be completed in accordance with the instructions provided on the Proxy and must be received by the Transfer Agent by 10:00 AM (Calgary Time) on Monday January 15, 2024 or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the commencement or any adjournment or postponement of the Meeting. Proxies received after that time will not be accepted.

The persons named in the enclosed Proxy have indicated their willingness to represent, as proxyholders, the shareholder who appoint them. Each shareholder may instruct its proxyholder how to vote the shareholder's shares by completing the Proxy.

Shares represented by properly executed Proxies in favour of the persons designated in the enclosed Proxy will be voted or withheld from voting on any poll in accordance with instructions made on the Proxy and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder's shares shall be voted accordingly. **IN THE ABSENCE OF SUCH INSTRUCTIONS, SUCH SHARES WILL BE VOTED IN FAVOUR OF ALL MATTERS IDENTIFIED IN THE NOTICE ACCOMPANYING THIS INFORMATION CIRCULAR.**

If any amendments or variations to matters identified in the Notice or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed Proxy to vote in accordance with their best judgment on such matters or business.

At the time of the printing of this Information Circular, the management of the Corporation is not aware of any such amendment, variation or other matter that may be presented to the Meeting.

#### **REVOCATION OR PROXIES**

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation, at Suite 2900 – 733 Seymour Street, Vancouver, BC, V6B 0S6, at any time up to and including the last business day preceding the day of the Meeting, or to the Chairman of the Meeting on the day of the Meeting or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **BENEFICIAL SHAREHOLDERS**

**This information set forth in this section is importance to many shareholders of the Corporation, as a substantial number of shareholders do not own shares in their own name. Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.**

Most shareholders of the Corporation are "non-registered" shareholders because the common shares of the Corporation ("Common Shares") they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency (each an "Intermediary").

Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note they will need to be appointed as a proxyholder in order to be able to vote in person at the Meeting.

If the Common Shares are listed in an account statement provided to a shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's Intermediary or agent of the Intermediary. In Canada, the vast majority of such shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries.

The Common Shares of the Corporation held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the Intermediary holding their Common Shares well in advance of the Meeting.**

In accordance with the requirements of NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), we have distributed copies of the Notice Package to the Intermediaries for onward distribution to Beneficial Shareholders. Intermediaries are required to forward the Notice Package to Beneficial Shareholders, unless in the case of certain proxy-related materials, the Beneficial Shareholder waived their right to receive them. **The Corporation does not intend to pay for Intermediaries to deliver the Notice Package to Beneficial Shareholders and a Beneficial Shareholders will not receive the Notice Package unless the Beneficial Shareholders' Intermediary assumes the cost of delivery. Applicable regulatory policy requires Intermediaries to whom meeting materials have been sent to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings.**

Very often, Intermediaries will use service companies such as Broadridge Financial Solutions, Inc. ("**Broadridge**") to forward the Notice Package to Beneficial Shareholders. Together with the Notice Package, Intermediaries should provide Beneficial Shareholders with a VIF which, when properly completed and signed by such Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

Broadridge typically prepares a machine-readable VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. The VIF must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Beneficial Shareholders who receive Proxies or VIFs from organizations other than Broadridge should complete and return such Proxies or VIFs in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares that they beneficially own. Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. **Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.**

**Beneficial Shareholders that wish to attend the Meeting and vote in person (or appoint someone else to attend the Meeting and vote on such Beneficial Shareholders' behalf) can appoint themselves (or someone else) as proxyholder** by inserting his or her name (or the name of the person the Beneficial Shareholder wants to attend and vote on the Beneficial Shareholders' behalf) in the space provided for that purpose on the VIF and return it to the Beneficial Shareholders' Intermediary or send the Intermediary another written request that the Beneficial Shareholder or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the Beneficial Shareholder, to appoint the Beneficial Shareholder or its nominee as proxyholder in respect of the Beneficial Shareholders' Common Shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the Beneficial Shareholder or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the

registered shareholder) in respect of all matters that come before the Meeting and any adjournment or postponement of the Meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the Proxy within that deadline in order to appoint the Beneficial Shareholder or its nominee as proxyholder. **If a Beneficial Shareholder requests that an Intermediary appoint the Beneficial Shareholder or its nominee as proxyholder, the Beneficial Shareholder or its appointed nominee, as applicable, will need to attend the meeting in person in order for the Beneficial Shareholders' vote to be counted.**

**Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.**

#### QUORUM

The Articles of the Corporation provide that a quorum for the transaction of business at any meeting of shareholders 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 vote at the meeting. A simple majority of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required in order to pass an ordinary resolution.

A majority of two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the Meeting is required to pass a special resolution. There are no special resolutions proposed at this Meeting.

#### VOTING SHARES

Authorized Capital: an unlimited number of Common Shares without par value. Issued and Outstanding: 69,862,900 Common Shares as at December 13, 2023 (the "**Record Date**").

Only shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

#### PRINCIPAL SECURITY HOLDERS

To the knowledge of the directors and officers of the Corporation, no person directly or indirectly beneficially owns, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares as at the Record Date, and no person will directly or indirectly beneficially own, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares.

#### INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) on September 28, 2021 under the name "Uriel Gas Holdings Corp." Head office is located at Suite 3200, 500 – 4<sup>th</sup> Avenue SW, Calgary, AB, T2P 2V6, and the registered and records office is located at 2900 – 733 Seymour Street, Vancouver, BC, V6B 056. The Common Shares are listed on the Canadian Stock Exchange under the symbol "UGH".

## DIRECTORS

### **NAME, OCCUPATION AND SECURITY HOLDINGS**

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Corporation that each of the directors beneficially owns, directly or indirectly, or exercises control over, as of the Record Date.

Name, Place Of Residence and Position With the Corporation	Principal Occupation for The Past Five Years	Director Since	Number of Voting Shares <sup>(2)</sup>
Gregory Kaiser Calgary, Alberta, Canada <i>CEO &amp; Director</i> <sup>(1)</sup>	Chief Executive Officer of the Corporation since September 9, 2022, prior thereto, Chief Executive Officer of Apogee Petroleum Inc.	June 3, 2022 as Director	2,700,000 Common Shares 3.8% (Directly)
Richard Thompson Calgary, Alberta, Canada <i>Director</i> <sup>(1)</sup>	Independent Consulting Geophysicist	September 9, 2022	1,500,000 Common Shares 2.1% (Directly)
Roger Tang Calgary, Alberta, Canada <i>Director</i> <sup>(1)</sup>	Investor since October 2022, prior thereto, President and Chief Executive Officer of Deltastream Energy Corporation.	June 3, 2022	1,500,000 Common Shares 2.1% (Directly)

(1) Member of the audit committee of which Roger Tang is the Chairman.

(2) Percentage is based on 69,862,900 Common Shares issued and outstanding as of the Record Date.

### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

No director or executive officer, to the knowledge of the management of the Corporation, no director nominee is, at the date of this Information Circular, or has been within the ten years preceding the date of this Information Circular:

- (a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
  - i. was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while the proposed director was acting in that capacity; or
  - ii. was subject to a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while the proposed director was acting in that capacity; or
- (b) a director or executive officer of any company (including the Corporation), that while the proposed director was acting in that capacity 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

- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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 nominee.

### **PENALTIES OR SANCTIONS**

No director or executive officer, to the knowledge of the management of the Corporation 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 which would likely be considered important to a reasonable security holder of the Corporation in deciding whether to vote for a proposed director.

### **BANKRUPTCIES**

No director or executive officer, to the knowledge of the management of the Corporation, no director nominee is, at the date of this Information Circular, or has been within the ten years preceding the date of this Information Circular, bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### **STATEMENT OF EXECUTIVE COMPENSATION – VENTURE ISSUER**

The Corporation is a venture issuer and is disclosing the compensation of its directors and named executive officers for the Corporation's financial year ended June 30, 2023 pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* in accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*.

Unless otherwise specified, all dollar amounts referenced herein are in Canadian Dollars.

For the purposes of this Information Circular, the following terms have the corresponding meanings:

**"Board"** means the board of directors of the Corporation;

**"CEO"** means an individual acting as Chief Executive Officer, or the individual who is acting in a similar capacity, for any part of the most recently completed financial year;

**"CFO"** means an individual acting as Chief Financial Officer, or the individual who is acting in a similar capacity, for any part of the most recently completed financial year;

**"Director"** means an individual acting as a director on the Corporation's Board or an individual acting in a capacity similar to that of a director;

**"NEO"** means the Corporation's: (a) CEO; (b) CFO; (c) three most highly compensated executive officers, other than the CEO and the CFO, who were serving as executive officers as at the end of the Corporation's most recently completed financial year ended June 30, 2023 and whose total compensation exceeds \$150,000; and (d) any additional individuals for whom disclosure would have been provided under (c), except that such individual was not serving as an executive officer, nor in a similar capacity, as at the end of our most recently completed financial year end;

**"Option Plan"** means the amended and restated stock option plan approved by the Board and designed for selected employees, officers, directors, consultants and contractors to incentive such individuals to contribute toward the Corporation's long-term goals, and to encourage such individuals to acquire Common Shares of the Corporation as long-term investments; and

**"Options"** means stock options.



### NEO COMPENSATION (EXCLUDING COMPENSATION SECURITIES)

During the financial year ended June 30, 2023, the Corporation had two NEOs: (i) Gregory Kaiser as CEO and President; and (ii) JoAnne Dorval-Dronyk as CFO. During the year ended June 30, 2023, the Board was comprised of Gregory Kaiser, Roger Tang and Richard Thompson.

The following table sets forth information concerning the total compensation, excluding Options and compensation securities, paid to each director and NEO by the Corporation for the Corporation's two (2) most recent completed financial years:

Table of compensation (excluding compensation securities)							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(1)</sup>	Value of All Other Compensation (\$)	Total Compensation (\$)
Gregory Kaiser <i>CEO &amp; Director</i> <sup>(2)</sup>	2023	60,000	Nil	Nil	Nil	Nil	60,000
	2022	17,500	Nil	Nil	Nil	Nil	17,500
JoAnne Dorval-Dronyk <i>CFO</i>	2023	60,000	Nil	Nil	Nil	Nil	60,000
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Richard Thompson <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Roger Tang <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) "Value of perquisites" means perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000, if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) For the June 30, 2022 financial year end, Gregory Kaiser received \$17,500 in compensation for his service as the CEO and no compensation for his service as a Director. For the June 30, 2023 financial year end, Gregory Kaiser received \$60,000 in compensation for his service as the CEO and no compensation for his service as a Director.

### EXTERNAL MANAGEMENT COMPANIES

The Corporation has not engaged the services of an external management company to provide executive management services to the Corporation, directly or indirectly.

## OPTION BASED AWARDS

The following table outlines all compensation securities granted or issued to NEOs and directors by the Corporation during the financial year ended June 30, 2023:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Grant Date	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant <sup>(2)</sup>	Closing price of security or underlying security at year end	Expiry Date
Daniel Custock <i>Former President<sup>(3)</sup></i>	Options	250,000 (0.36%)	August 2, 2022	\$0.10	N/A	\$0.055	August 2, 2024
Gregory Kaiser <i>CEO &amp; Director</i>	Options	750,000 (1.08%)	August 2, 2022	\$0.10	N/A	\$0.055	August 2, 2024
JoAnne Dorval-Dronyk <i>CFO</i>	Options	500,000 (0.72%)	August 2, 2022	\$0.10	N/A	\$0.055	August 2, 2024
Richard Thompson <i>Director</i>	Options	250,000 (0.36%)	August 2, 2022	\$0.10	N/A	\$0.055	August 2, 2024
Roger Tang <i>Director</i>	Options	250,000 (0.36%)	August 2, 2022	\$0.10	N/A	\$0.055	August 2, 2024

Notes:

- (1) Based on 69,862,900 Common Shares issued and outstanding as of December 13, 2023.
- (2) The Corporation began trading on the facilities of the Canadian Securities Exchange on January 9, 2023.
- (3) Mr. Custock resigned as President of the Corporation effective, September 9, 2022.

## EXERCISE OF OPTION-BASED AWARDS BY DIRECTORS AND NEOS

During the financial year ended June 30, 2023, none of the Corporation's directors or NEOs exercised any compensation securities.

## COMPENSATION DISCUSSION AND ANALYSIS

At its present stage of development, the Corporation does not have any formal objectives, criteria and analysis for determining the compensation of its NEOs and primarily relies on the discussions and determinations of the Board. With a view to minimizing its cash expenditures not directed at the exploration of the Corporation's properties, the emphasis in compensating the NEOs is the grant of incentive options under the Option Plan. The type and amount of future compensation to be paid to NEOs and Directors has not been determined and the Board has not considered

the implications of the risks associated with the compensation policies and practices. The Corporation has not considered the implications of the risks associated with the Corporation's compensation policies and practices. Neither NEOs nor Directors are permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities offered as compensation.

As of the date of this Information Circular, the Board has not established any benchmark or performance goals to be achieved or met by NEOs; however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Corporation. The satisfactory discharge of such duties is subject to ongoing monitoring by the Directors.

### **Director Compensation**

The Corporation does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors of the Corporation, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the NEOs, the Board intends to compensate directors primarily through the grant of Options and reimbursement of expenses incurred by such persons acting as directors of the Corporation.

### ***STOCK OPTION PLANS AND OTHER INCENTIVE PLANS***

#### **Stock Option Plan**

On March 10, 2022, the Corporation implemented the Option Plan in order to provide effective incentives to directors, officers and employees of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's shareholders. The Option Plan was approved by the shareholders on June 3, 2022. Pursuant to the policies of the Canadian Securities Exchange, the Corporation is required to obtain securityholder approval of the Option Plan within three years of its prior approval. The Option Plan provides that, subject to the requirements of the Canadian Securities Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the aggregate number of Common Shares of the Corporation issued and outstanding from time to time and any Common Shares issuable upon conversion of special warrants and other securities of the Corporation that are automatically convertible into Common Shares of the Corporation at no additional cost.

The Option Plan is administered by the Board or a committee of the Board which have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Corporation, as the Board or committee thereof may from time to time designate.

The exercise price of any Options granted under the Option Plan shall be determined by the Board but may not have an exercise price lower than the greater of the closing market prices of the Common Shares of the Corporation on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any Options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, Options granted to such director or officer under the Option Plan will expire 30 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Corporation, Options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Corporation.

The Corporation has no equity incentive plans other than the Option Plan. The size of the Option grants is dependent on each officer’s level of responsibility, authority and importance to the Corporation and the degree to which such officer’s long-term contribution to the Corporation will be key to its long-term success.

**Defined Benefit Plans**

The Corporation does not have any defined benefit or actuarial plans.

**Termination and Change of Control Benefits**

The Corporation does not have any contracts, agreements, plans or arrangements in place with any NEOs that provide for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Corporation or a change in a NEO’s responsibilities.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding Options and the weighted-average exercise price of the outstanding Options in connection with the Option Plan as at June 30, 2023:

<b>PLAN CATEGORY</b>	<b>NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS</b>	<b>WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS</b>	<b>NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS<sup>(1)</sup></b>
	<b>#</b>	<b>\$</b>	<b>#</b>
Equity compensation plans approved by security holders	6,150,000	0.80	836,290
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>6,150,000</b>	<b>0.80</b>	<b>836,290</b>

<sup>(1)</sup> Based on 69,862,900 shares outstanding as of the Record Date.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

At no time during the Corporation’s last completed financial year was any director, executive officer, employee, proposed management nominee for election as a director of the Corporation, nor any associate of any such director, executive officer, or proposed management nominee of the Corporation, or any former director, executive officer or employee of the Corporation, indebted to the Corporation, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to the election of directors.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, there were no material interests, direct or indirect, of directors or executive officers of the Corporation, of any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of the most recently completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation.

### AUDIT COMMITTEE

Pursuant to the provisions of applicable corporate and securities law, the Corporation is required to have an audit committee comprised of at least three directors (“**Audit Committee**”), the majority of which must not be officers or employees of the Corporation. The Corporation must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees*, have a written charter, which sets out the duties and responsibilities of its Audit Committee. The Audit Committee’s role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. Roger Tang is the Chairman of the Audit Committee.

#### **AUDIT COMMITTEE CHARTER**

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

#### **COMPOSITION OF THE AUDIT COMMITTEE**

Following the election of the directors pursuant to this Information Circular, the following will be the members of the Audit Committee:

Roger Tang <sup>(1)</sup>	Independent <sup>(2)</sup>	Financially literate <sup>(3)</sup>
Gregory Kaiser	Not-Independent <sup>(2)</sup>	Financially literate <sup>(3)</sup>
Richard Thompson	Independent <sup>(2)</sup>	Financially literate <sup>(3)</sup>

(1) Chairman of the Audit Committee.

(2) A member of an Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. Gregory Kaiser is not an independent director as he is the Chief Executive Officer of the Corporation.

(3) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

#### **RELEVANT EDUCATION AND EXPERIENCE**

Each member of the Corporation’s present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) 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 Corporation’s financial statements or experience actively supervising individuals engaged in such activities; and

- (c) an understanding of internal controls and procedures for financial reporting. See “*Directors and Executive Officers*” for further details.

The following is a brief description of the experience and education of the Audit Committee members:

**Gregory Kaiser – Director and Chief Executive Officer (Age: 61)**

Mr. Kaiser is a geologist with over 35 years of experience in Western Canada and internationally and has been involved in the drilling of hundreds of wells (vertical and horizontal) and in many oil and gas discoveries in both clastic and carbonate reservoirs. He has worked for companies of varying sizes, from “start-ups” to a large subsidiary of an intermediate- US Independent (Pioneer Natural Resources Canada) and been involved in all aspects of the exploration task from identifying geophysical locations to drilling design and completion strategies. Mr. Kaiser spent almost 15 years exclusively focused on A & D work through various roles as VP Business Development with Pioneer Natural Resources Canada and Quatro Resources. This work led to the implementation of BD Teams at Pioneer utilizing methodology/protocols from Resource Assessments of Under-developed Oil and Gas Fields from Canada to several areas around the world where Pioneer operates.

After the sale of Pioneer Natural Resources Canada to Taqa Resources, Mr. Kaiser served as Vice President Exploration & Business Development at Quatro Resources which eventually was merged with Mosaic Energy (both owned by Natural Gas Partners of Dallas), where he was responsible for capital spending within the company (roughly \$290,000,000 over 2 ½ years) including drilling and completion of multiple horizontal wells, construction of a new 50 mmcf/d sour facility (expandable), water injection skid and lastly completion of a complex gas gathering system connecting multiple pad-sites to Mosaic’s new gas plant.

Most recently Mr. Kaiser co-founded Apogee Petroleum Inc. in late 2017 with a significant capital commitment from Pearl Energy Investments of Dallas, Texas, growing the company to >2000 boepd, and culminating in the sale of Apogee in December 2021.

**Roger Tang – Independent Director (Age: 64)**

Mr. Tang was a Co-Founder, Director, President, and Chief Executive Officer of Deltastream Energy Corporation until October 2022, where he was responsible for the company’s overall corporate strategy development, implementation and execution.

Mr. Tang has over 35 years of experience where he founded four E&P companies including Deltastream. Prior to his entrepreneurial path, he had a successful geoscience career at Texaco Canada and Morrison Petroleum playing a key role in numerous oil and gas discoveries including the Glauconitic A pool in Provost which was named as the top 10 discovery of the decade prior to 1991. In 1990, he was a member of a hand-picked synergy team to advise on the go forward exploration and development strategy for the combined ESSO and Texaco organization.

Mr. Tang graduated from the University of Manitoba with an M.Sc degree in Geological Sciences in 1985 with a Sigma Xi Designation for Recognition of Research in Science.

**Richard Thompson – Independent Director (Age: 67)**

Mr. Thompson is a graduate in Honours Geophysics from the University of Manitoba. He has over 40 years of energy industry experience in Western Canada, beginning with Petro-Canada and Wascana Energy, and progressing into senior executive roles in several junior entities such as Cequence, Cequel, Cyries and Marquee Energy. Mr. Thompson served as President & Chief Executive Officer of Marquee from 2010-2017. Richard joined the founder of Loyal Energy in 2018 and was instrumental in growing the company to more 5,500 boed while accumulating no debt. In addition to strong hands-on geophysical analysis and prospecting, Mr. Thompson has extensive business development experience in property and corporate A&D, corporate finance and public markets.

## **AUDIT COMMITTEE OVERSIGHT**

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

## **PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

## **EXTERNAL AUDITOR SERVICE FEES**

The fees of BDO Canada LLP, the Corporation's external auditor, during the period ended June 30, 2023 were as follows:

<b>Period Ending</b>	<b>Audit Fees (\$)</b>	<b>Audit Related Fees<sup>(1)</sup> (\$)</b>	<b>Tax Fees<sup>(2)</sup> (\$)</b>	<b>All Other Fees<sup>(3)</sup> (\$)</b>
June 30, 2023	40,000	Nil	5,000	Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

## **RELIANCE ON CERTAIN EXEMPTIONS**

The Corporation is relying on the exemption in Section 6.1 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") which exempts venture issuers from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## **CORPORATE GOVERNANCE**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

## **BOARD OF DIRECTORS**

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board. The Board is comprised of three directors: Richard Thompson, Gregory Kaiser and Roger Tang. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Corporation.

Gregory Kaiser is not independent as he is the CEO of the Corporation

## ***DIRECTORSHIPS***

The directors of the Corporation are not currently directors of any other reporting issuers.

## ***ORIENTATION AND CONTINUING EDUCATION***

New Board members receive an orientation package, which includes reports on operations and results, and any public disclosure filings by the Corporation, as may be applicable. Board meetings are sometimes held at the Corporation's offices and, from time to time, are combined with presentations by the Corporation's management to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members.

## ***ETHICAL BUSINESS CONDUCT***

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and 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 have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

## ***NOMINATION OF DIRECTORS***

The Board considers its size each year when it considers the number of directors to recommend to the 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 a diversity of view and 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 policy will be reviewed.

## ***COMPENSATION***

The Board is responsible for determining compensation for the directors of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public company.

## ***OTHER BOARD COMMITTEES***

The Board has no committees, other than the Audit Committee.

## ***ASSESSMENTS***

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

## **BUSINESS OF THE MEETING**

### ***FINANCIAL STATEMENTS***

The audited consolidated financial statements of the Corporation as at and for the financial year ended June 30, 2023 and 2022 and the accompanying auditor's report will be presented to the shareholders at the Meeting. The financial statement, together with the auditors report for the financial year ended June 30, 2023, were mailed to those shareholders who requested a copy and are available on the Corporation's website at [www.urielgas.com/investor-relations](http://www.urielgas.com/investor-relations), in addition to SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).



### ***FIXING THE NUMBER OF DIRECTORS***

At present, the Board may consist of a minimum of three directors and the number of directors most recently set by ordinary resolution. Management of the Corporation is seeking shareholder approval of an ordinary resolution fixing the number of directors to be elected at the Meeting at three.

**“BE IT RESOLVED THAT:** the number of directors of the Corporation is to be fixed at three.”

**The Board recommends shareholders vote FOR fixing the number of directors of the Corporation at three.**

### ***ELECTION OF DIRECTORS***

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Gregory Kaiser, Richard Thompson and Roger Tang are put forward for re-election at the Meeting.

**“BE IT RESOLVED THAT:** the election of each of Gregory Kaiser, Richard Thompson and Roger Tang, individually and not as a slate, as a director of the Corporation to hold office until the earlier of the next annual meeting of the shareholders to hold office until the next annual general meeting of the shareholders, or until his successor is duly elected or appointed, is hereby approved.”

**The Board recommends shareholders vote FOR electing the nominees set forth.**

### ***APPOINTMENT OF AUDITORS***

The Corporation’s current auditor is BDO Canada LLP, Chartered Professional Accountants. BDO Canada LLP was appointed as auditor on December 21, 2022 and has been put forward for re-appointment at the Meeting.

**“BE IT RESOLVED THAT:** BDO Canada LLP, Chartered Professional Accountants are re-appointed as auditors of the Corporation for the financial year ending June 30, 2024 and to authorize the directors to fix the auditor’s remuneration.”

**The Board recommends shareholders vote FOR re-appointing BDO Canada LLP as auditor and authorizing the directors to fix the auditor’s remuneration.**

### ***OTHER BUSINESS***

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

### **ADDITIONAL INFORMATION**

Additional information regarding the Corporation and its business activities is available on the SEDAR+ website located at [www.sedarplus.ca](http://www.sedarplus.ca) “Corporation Profiles – Uriel Gas Holdings Corp.”. The Corporation’s financial information is provided in the Corporation’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR+ website at the location noted above. Shareholders of the Corporation may request copies of the Corporation’s financial statements and related management discussion and analysis by contacting the Corporation at Suite 3200, 500-4th Avenue SW, Calgary, AB T2P 2V6 or at (403) 875-8700.

**BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing authorized by the directors of the Corporation.

**DATED** at Calgary, Alberta, as of this 13<sup>th</sup> day of December, 2023.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*(signed) "Gregory Kaiser"*

Gregory Kaiser  
Chief Executive Officer and Director

**Schedule "A"**

**Audit Committee Charter**

# URIEL GAS HOLDINGS CORP.

## CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

### 1. Mandate and Purpose of the Committee

The audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of Uriel Gas Holdings Corp. (the “**Corporation**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Corporation's financial statements;
- (b) the Corporation's compliance with legal and regulatory requirements as they relate to the Corporation's financial statements and related disclosure;
- (c) the qualifications, independence and performance of the Corporation's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Corporation's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this charter or otherwise delegated to the Committee by the Board.

### 2. Authority

The Committee has the authority to:

- (a) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (b) communicate directly with the Corporation's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

### 3. Composition Expertise

The Committee shall be composed of a minimum of three members, each of whom must be a director of the Corporation. The majority of the Committee's members must not be officers or employees of the Corporation or an affiliate of the Corporation, unless otherwise permitted by National Instrument 52-110 – *Audit Committees*.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they resign or are removed by the Board or cease to be directors of the Corporation.

The Board shall appoint one member of the Committee to act as chair of the Committee (the “**Chair**”). If the Chair is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

### 4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting except in the event of exceptional circumstances. The Corporation's auditor shall be given notice of every meeting of the Committee and, at the

expense of the Corporation, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Corporation's auditor shall attend every meeting of the Committee held during the term of office of such auditor.

A majority of the members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Corporation and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The secretary of the Corporation shall serve as secretary of the Committee. In the absence of the Corporation's secretary, or as determined by the Committee, another individual (who need not be a director or officer of the Corporation) may be appointed by the Committee to serve as the secretary of the Committee for a particular meeting or meetings of the Committee. Minutes of the meetings of the Committee shall be recorded and maintained by the Committee secretary and shall be subsequently presented to the Committee for review and approval.

#### **5. Committee and Charter Review**

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the stock exchange(s) on which the Corporation's securities are listed from time to time and shall recommend changes to the Board thereon.

#### **6. Reporting to the Board**

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

#### **7. Duties and Responsibilities**

##### **(a) Financial Reporting**

The Committee is responsible for reviewing and recommending approval to the Board of the Corporation's annual and interim financial statements, any auditor's report thereon, management's discussion and analysis ("**MD&A**") and related news releases, before they are published.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;

- (ii) engaging the Corporation's auditor to perform a review of the interim financial statements and receiving from the Corporation's auditor a formal report on the auditor's review of such interim financial statements, if required by the Corporation;
- (iii) discussing with management any significant variances between comparative reporting periods; and
- (iv) in the course of discussion with management and the Corporation's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

**(b) Auditor**

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
- (ii) the compensation of the Corporation's auditor.

The Corporation's auditor will report directly to the Committee. The Committee is directly responsible for overseeing the work of the Corporation's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the Corporation's auditor regarding financial reporting.

**(c) Relationship with the Auditor**

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Corporation's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

**(d) Accounting Policies**

The Committee is responsible for:

- (i) reviewing the Corporation's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to the Corporation's financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Corporation's financial disclosures.

**(e) Risk and Uncertainty**

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Corporation's 'appetite' for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Corporation and how effectively they are managed or controlled.

**(f) Controls and Control Deviations**

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

**(g) Compliance with Laws and Regulations**

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Corporation's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

**(h) Related Party Transactions**

All transactions between the Corporation and a related party (each a "**related party transaction**"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "**related party**" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia), as well as all entities with common directors, officers, employees and consultants (each, a "**general related party**"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Corporation carrying more than 10% of the voting rights attached to all of the Corporation's outstanding voting securities (each, a "**10% shareholder**").

Related party transactions involving general related parties which are not material to the Corporation require review and approval by the Committee. Related party transactions that are material to the Corporation or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

## **8. Non-Audit Services**

All non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's auditor must be pre-approved by the Committee.

## **9. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

## **10. Procedure for Reporting of Fraud or Control Weaknesses**

Each employee is expected to report situations in which he or she suspects fraud has occurred or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Corporation that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Corporation's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Corporation that the employee (the “**whistleblower**”) has anonymous and direct access to the Chair. Should a new Chair be appointed prior to the updating of this document, the current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the chair of the Board.

In addition, it is the policy of the Corporation that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

## **11. Hiring Policies**

The Committee is responsible for reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of the current auditor of the Corporation and any former auditor of the Corporation.