



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 7, 2021**

AND

MANAGEMENT INFORMATION CIRCULAR

June 16, 2021

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**SOUTHERN ENERGY CORP.
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF THE HOLDERS OF COMMON SHARES
TO BE HELD ON JULY 7, 2021**

Shareholders are strongly discouraged from attending the Meeting (as defined below) in person and are urged to participate in the Meeting via the instructions and guidelines described in this Notice.

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of Southern Energy Corp. (the "**Corporation**") will be held at the offices of the Corporation, Suite 2400, 333 - 7th Avenue S.W., Calgary, AB, T2P 2Z1, on July 7, 2021 at 10:00 a.m. (Calgary time), for the following purposes:

1. receive the financial statements for the fiscal year ended December 31, 2020 and the report of the auditors thereon;
2. fix the number of directors to be elected at seven;
3. elect directors for the ensuing year;
4. appoint the auditors of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors to fix their remuneration;
5. approve the stock option plan of the Corporation, as described in the management information circular dated June 16, 2021 (the "**Information Circular**");
6. to consider and, if deemed appropriate, pass a special resolution authorizing the directors to consolidate the Common Shares on the basis of a ratio of up to fifty (50) pre-consolidation Common Shares for each post-consolidation Common Share, as described in the Information Circular;
7. to consider and, if deemed appropriate, pass a special resolution authorizing the directors to amend the articles of the Corporation to include requirements to disclose certain share ownership interests, as described in the Information Circular; and
8. transact such other business as may properly come before the meeting or any adjournments thereof.

Only Shareholders of record at the close of business on June 7, 2021 (the "**Record Date**") are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat, unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed share certificates or otherwise establishing that he or she owns such Common Shares, requests, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. **Given the circumstances surrounding the recent coronavirus (COVID-19) outbreak, the Corporation urges Shareholders to vote by proxy and attend the Meeting by conference call, as described below.**

Registered Shareholders are requested to date and sign the enclosed form of proxy (the "Form of Proxy") and return it to the Corporation's transfer agent, Odyssey Trust Company. To be effective, the Form of Proxy must be mailed so as to reach or be deposited with Odyssey Trust Company, at 1230 – 300 5th Avenue S.W., Calgary, Alberta T2P 3C4 Attention: Proxy Department or by fax at (800) 517-4553 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior

to the time set for the Meeting or any adjournment thereof or may be accepted by the Chairman of the Meeting at his discretion prior to the commencement of the Meeting. The Form of Proxy or other instrument used to appoint a proxy shall be executed by the Shareholder or their attorney, or if such Shareholder is a corporation, under the corporate seal, and executed by a director, officer or attorney thereof duly authorized. Alternatively, a registered Shareholder may complete their Form of Proxy online at login.odysseytrust.com/pxlogin by following the instructions provided on the Form of Proxy.

IMPORTANT

Amid ongoing concerns about the COVID-19 outbreak, the Corporation remains mindful of the well-being of our Shareholders and their families, our industry partners and other stakeholders. The Corporation currently intends on holding an in-person shareholder meeting due to corporate law requirements, with the necessary restrictions and alternatives set forth in the following paragraphs. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation's website at www.southernenergycorp.com or the Corporation's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

The Corporation, in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting, and, in order to ensure as many Common Shares as possible are represented at the Meeting, strongly encourages registered Shareholders to complete the Form of Proxy and return it as soon as possible in accordance with the instructions outlined above (in bold). Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out in the accompanying management information circular (the "**Information Circular**"). In addition, only registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting.

As an alternative to attending the Meeting in person, Shareholders may join the Meeting via webcast by following the below instructions. While the instructions will allow you to listen to the Meeting and ask questions, the Meeting is not a virtual meeting and you will not be able to vote at the Meeting through the webcast, which is why the Corporation urges Shareholders to complete the Form of Proxy or other voting instruction form provided by your broker in accordance with the instructions outlined in the Information Circular.

Shareholders may use the following information to listen to the Meeting via webcast:

Webcast: Via Zoom using the following link to register for the Meeting,

https://us02web.zoom.us/webinar/register/WN_sQx_jdEOT-y-5CbUfqu4IQ

Once registered, participants will receive an email with link and instructions to access the Meeting via webcast.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice.

Calgary, Alberta

June 16, 2021

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Ian Atkinson"

Ian Atkinson

Director, President and Chief Executive Officer

SOUTHERN ENERGY CORP.

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES OF SOUTHERN ENERGY CORP. TO BE HELD ON JULY 7, 2021

Dated: June 16, 2021

PURPOSE OF SOLICITATION

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Southern Energy Corp. (the “Corporation”) for use at the annual general and special meeting of the holders (the “Shareholders”) of the common shares (the “Common Shares”) in the capital of the Corporation to be held at the offices of the Corporation, Suite 2400, 333 - 7th Avenue S.W., Calgary, AB, T2P 2Z1, on July 7, 2021 at 10:00 a.m. (Calgary time), and any adjournment or adjournments thereof (the “Meeting”) for the purposes set forth in the Notice of Annual General and Special Meeting (the “Notice of Meeting”) accompanying this Information Circular.

IMPORTANT NOTE REGARDING SOCIAL DISTANCING MEASURES

Amid ongoing concerns about the coronavirus (COVID-19) outbreak, the Corporation remains mindful of the well-being of our Shareholders and their families, our industry partners and other stakeholders. The Corporation currently intends on holding an in-person shareholder meeting due to corporate law requirements, with the necessary restrictions set forth in the following paragraphs. However, as COVID-19 is a rapidly evolving situation, the Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Corporation will provide updates to any arrangements in respect of the Meeting by way of news release. Shareholders are encouraged to monitor the Corporation’s website at www.southernenergycorp.com or the Corporation’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

The Corporation, in accordance with current public health guidelines, strongly discourages Shareholders from physically attending the Meeting, and, in order to ensure as many Common Shares as possible are represented at the Meeting, strongly encourages registered Shareholders (“Registered Shareholders”) to complete the enclosed form of proxy (the “Form of Proxy”) and return it as soon as possible in accordance with the instructions outlined in “Proxy Information – Completion of Proxies”, below. Shareholders who do not hold their Common Shares in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under “*Proxy Information – Advice to Beneficial Holders of Securities*”, below. In addition, only Registered Shareholders or their duly appointed proxy holders will be permitted to attend the Meeting.

As an alternative to attending the Meeting in person, Shareholders may join the Meeting via webcast by following the below instructions. While the instructions will allow you to listen to the Meeting and ask questions, the Meeting is not a virtual meeting and you will not be able to vote at the Meeting through the webcast, which is why the Corporation urges Shareholders to complete the Form of Proxy or other voting instruction form provided by your broker in accordance with the instructions outlined in “*Proxy Information – Completion of Proxies*”, below.

Shareholders may use the following information to listen to the Meeting via webcast:

Webcast: Via Zoom using the following link to register for the Meeting,

https://us02web.zoom.us/webinar/register/WN_sQx_jdEOT-y-5CbUfqu4IQ

Once registered, participants will receive an email with link and instructions to access the Meeting via webcast.

CURRENCY

All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

RECORD DATE

Only Shareholders of record as of the close of business on June 7, 2021 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

- (a) such person transfers his or her Common Shares after the Record Date; and
- (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the Shareholders’ list for the Meeting.

Any registered Shareholder of Common Shares (a “**Registered Shareholder**”) at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “*Proxy Information – Completion of Proxies*”.

PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation of the enclosed form of proxy (the “**Form of Proxy**”), Notice of Meeting and this Information Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. The Corporation is sending the securityholder materials directly to Registered Shareholders, and the Corporation will also provide the materials to brokers, custodians, nominees and other fiduciaries to forward them to non-objecting and objecting beneficial shareholders. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means.

Completion of Proxies

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting. The persons named in the enclosed Form of Proxy are Ian Atkinson, the President and Chief Executive Officer of the Corporation, and Calvin Yau, the Vice President, Finance, and Chief Financial Officer of the Corporation.

A proxy must be dated and signed by the Registered Shareholder or by his or her attorney authorized in writing or by the intermediary. In the case of a Registered Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy. **IF YOUR COMMON SHARES ARE HELD BY YOUR BANK, TRUST**

COMPANY, SECURITIES BROKER, TRUSTEE OR OTHER FINANCIAL INSTITUTION (YOUR NOMINEE), YOU ARE MOST LIKELY A BENEFICIAL SHAREHOLDER OF THE COMMON SHARES AND SHOULD REFER TO “PROXY INFORMATION – ADVICE TO BENEFICIAL HOLDERS OF SECURITIES” FOR FURTHER INSTRUCTIONS ON HOW TO VOTE BY PROXY AT THE MEETING.

Registered Shareholders are requested to date and sign the enclosed Form of Proxy and return it to the Corporation’s transfer agent, Odyssey Trust Company. In order to be effective, the Form of Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed or completed online at login.odysseytrust.com/pxlogin so as to be deposited at the office of Odyssey Trust Company, 1230, 300 5th Ave S.W., Calgary, Alberta T2P 3C4, not later than 10:00 a.m. (Calgary time) on the second last business day (not including Saturdays, Sundays and statutory holidays in the Province of Alberta) preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF A NON-REGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.

The Corporation discourages physical attendance at the Meeting due to the current COVID-19 outbreak, and requests that Registered Shareholders complete the Form of Proxy and return it as soon as possible in accordance with the above instructions. For further information, see “Important Note Regarding Social Distancing Measures”, above.

Revocation of Proxies

A Registered Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Registered Shareholder or intermediary or his or her attorney authorized in writing, or, if the Registered Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either: (a) with the Corporation at its offices or at the office of the Corporation’s agent, Odyssey Trust Company, 1230, 300 5th Ave S.W., Calgary, Alberta T2P 3C4, at any time prior to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or (b) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

Exercise of Discretion by Proxies

A Registered Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Registered Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name (“Beneficial Shareholders”). You are most likely a Beneficial Shareholder if your bank, trust company, securities broker, trustee, or other financial institution (your nominee) holds your Common Shares in their name or the name of another intermediary. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares on the Record Date can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker or other intermediary, then in almost all cases those Common Shares will not be registered in the Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder’s broker, an agent of that broker, or other intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). **Common Shares held by brokers or their agents or other nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.**

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is typically similar to the Form of Proxy provided to Registered Shareholders by the Corporation. However, the purpose of the broker’s form of proxy is limited to instructing the Registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails a scannable voting instruction form in lieu of a form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the Internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting, as the voting instruction form 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 forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder’s broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote such Common Shares

in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting. Due to the current COVID-19 outbreak, at this time, only Registered Shareholders or their duly appointed proxyholders will be permitted to attend the Meeting. In addition, the Corporation strongly encourages all Shareholders to attend via conference call or webcast instead of physically attending the Meeting, and requests that Beneficial Shareholders complete the voting instruction form or form of proxy provided by their broker and return it as soon as possible in accordance with the above instructions. For further information, see "Important Note Regarding Social Distancing Measures", above.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "**NOBOs**". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "**OBOs**". Neither OBOs nor NOBOs will be receiving a Form of Proxy directly from the Corporation and will instead receive a voting instruction form or other form of proxy from an intermediary as described above. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Corporation has distributed copies of the Notice of Meeting, Form of Proxy, this Information Circular and any other proxy-related materials in connection with the Meeting (the "**Meeting Materials**") to such intermediaries for distribution to Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the Meeting Materials, and paper copies of the Meeting Materials will be sent to all Shareholders. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation will be paying for intermediaries to deliver copies of the Meeting Materials to NOBOs and OBOs (who have not otherwise waived their right to receive proxy-related materials).

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the *Canada Business Corporations Act* (the "**CBCA**") on July 22, 2008 as "7015321 Canada Limited". The Corporation changed its name to "MAX Minerals Ltd." on August 15, 2008 and "Standard Exploration Ltd." on October 8, 2010. On January 2, 2019, the Corporation changed its name from "Standard Exploration Ltd." to "Southern Energy Corp." On January 7, 2020, the Corporation continued out of the federal jurisdiction of Canada under the CBCA to the provincial jurisdiction of Alberta under the *Business Corporations Act* (Alberta) (the "**ABCA**").

The Corporation is a reporting issuer in British Columbia and Alberta. The Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the trading symbol "SOU".

The Corporation is an oil and natural gas exploration and production company focused on building value through the consolidation, development and exploration of oil and gas assets in the southeastern United States. On December 20, 2018, the Corporation: (a) closed a non-brokered private placement of Common Shares and units of the Corporation, for aggregate gross proceeds of \$18,011,000; (b) completed the appointment of a new management team and board of directors; and (c) completed the acquisition of all of the limited partnership units of Gulf Pine Energy Partners, LP ("**Gulf Pine**") (together, the "**Recapitalization**"). On May 2, 2019, the Corporation completed the sale of its remaining Canadian oil and gas assets which were inherited in December 2018 as part of the Recapitalization, becoming a U.S. pure-play oil and gas exploration and production company.

VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares (“**Preferred Shares**”), issuable in series. As at the date hereof, there are 357,395,279 fully paid and non-assessable Common Shares and nil Preferred Shares issued and outstanding. Shareholders are entitled to receive notice of all meetings of Shareholders, a right to one vote per Common Share at such meetings, dividends as and when declared by the board of directors of the Corporation (the “**Board**”), and, upon liquidation, to share in the remaining assets of the Corporation as are distributable to such Shareholders. Preferred Shares may be issued by the Corporation from time to time in one or more series and the Board may fix the number of Preferred Shares which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series. The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Corporation, be entitled to preference over the Common Shares.

The articles of the Corporation provide that if two persons holding not less than 5% of the issued and outstanding Common Shares entitled to vote are present in person or are represented by proxy, a quorum for the purposes of conducting a Shareholders’ meeting is constituted.

The Registered Shareholders set forth in “*Record Date*”, above, will be entitled to vote or have his, her or its Common Shares voted at the Meeting. However, a person appointed under a Form of Proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “*Proxy Information – Completion of Proxies*”.

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the following persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying 10% or more of the voting rights attached to the shares of the Corporation.

<u>Name</u>	<u>Number of Common Shares Held</u>	<u>Percentage of Total Issued and Outstanding Common Shares</u>
DSS Holdings Inc.	39,708,000	11.11%

MATTERS TO BE ACTED UPON

The Shareholders of the Corporation will be asked to consider and, if deemed appropriate:

- (a) by ordinary resolution, to fix the Board at seven (7) members;
- (b) by ordinary resolution, to elect the directors of the Corporation;
- (c) by ordinary resolution, to appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
- (d) by ordinary resolution, to approve the Corporation’s stock option plan (the “**Stock Option Plan**”) for the ensuing year;
- (e) by special resolution, to approve a consolidation of the Common Shares on the basis of a ratio of up to fifty (50) pre-consolidation Common Shares for each post-consolidation Common Share;
- (f) by special resolution, to amend the articles of the Corporation to include requirements to disclose certain share ownership interests; and

- (g) to transact such other business as may properly come before the Meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

FIXING NUMBER OF DIRECTORS

At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at seven (7).

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of setting the number of directors to be elected at the Meeting at seven (7).

ELECTION OF DIRECTORS

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles.

The Corporation is required by applicable corporate and securities legislation to have an Audit Committee comprised of members of the Board that are considered "financially literate" and a majority of which are considered "independent", as such terms are defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Corporation has also established a Corporate Governance and Compensation Committee and a Reserves, Health, Safety and Environment Committee, each comprised of members of the Board. Please see the discussion under the heading "*Corporate Governance Practices*". The present members of the Audit Committee, Corporate Governance and Compensation Committee and Reserves, Health, Safety and Environment Committee of the Board are identified in the table below.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from the respective nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at the date hereof.

Name	Positions Presently Held	Director Since ⁽¹⁾	Principal Occupation for Previous Five Years	Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised
Ian Atkinson <i>Calgary, Alberta</i>	Director, President and Chief Executive Officer	December 11, 2018	President and Chief Executive Officer of the Corporation since December 2018. Mr. Atkinson was the founder, President and Chief Executive Officer of Gulf Pine from November 2014 to December 2018. Prior thereto, Mr. Atkinson was a founder and Senior Executive Officer of Athabasca Oil Corporation (" <i>Athabasca</i> ").	28,475,000 (7.97%)
Bruce Beynon ⁽²⁾ <i>Calgary, Alberta</i>	Chairman of the Board	December 19, 2018	President of Tiburon Exploration Corporation since December 2018. Executive Vice President, Exploration	2,875,000 (0.80%)

and Corporate Development at Baytex Energy Corp. from August 2018 to December 2018. Prior thereto, the President of Raging River Exploration Inc. from June 2017 to August 2018 and Executive Vice President from February 2012 to June 2017.

<p>Michael G. Kohut⁽³⁾⁽⁴⁾ <i>Calgary, Alberta</i></p>	<p>Director</p>	<p>December 19, 2018</p>	<p>Senior Vice President and Chief Financial Officer at Hammerhead Resources Inc. since January 2019 and is the Chairman of the board of directors at Big Rock Brewery Inc. Prior thereto, Mr. Kohut was the Vice President, Finance, at Paramount Resources Ltd. from November 2017 to April 2018. Mr. Kohut was the Chief Financial Officer of Trilogy Energy Corp. from June 2006 to October 2017.</p>	<p>2,500,000 (0.70%)</p>
<p>Tamara MacDonald⁽²⁾⁽³⁾ <i>Calgary, Alberta</i></p>	<p>Director</p>	<p>December 19, 2018</p>	<p>Director of Spartan Delta Corp. since December 2019. Prior thereto, Senior Vice President, Corporate and Business Development of Crescent Point Energy Corp. (“Crescent Point”) from October 2004 to July 2018.</p>	<p>1,000,000 (0.28%)</p>
<p>Andrew McCreath⁽³⁾⁽⁴⁾ <i>Toronto, Ontario</i></p>	<p>Director</p>	<p>December 19, 2018</p>	<p>Chief Executive Officer and Chief Investment Officer of Forge Asset Management since 2012.</p>	<p>1,000,000 (0.28%)</p>
<p>C. Neil Smith⁽²⁾⁽³⁾ <i>Calgary, Alberta</i></p>	<p>Director</p>	<p>December 19, 2018</p>	<p>President of WCF Holdings Corp. since January 2019. Prior thereto, Mr. Smith was the Chief Operating Officer at Crescent Point from January 2013 to June 2018.</p>	<p>1,875,000 (0.52%)</p>
<p>R. Steven Smith⁽³⁾⁽⁴⁾ <i>Calgary, Alberta</i></p>	<p>Director</p>	<p>December 11, 2018</p>	<p>Director of Karve Energy Inc. and Jasper Brewing Inc. Prior thereto, Mr. Smith was a Director of Broadview Energy Inc. from 2014 to 2019 and the Chief Financial Officer for the last 2 years. He was a Portfolio Manager and Chief Financial Officer at NCM Investments from 2007 to 2017.</p>	<p>7,250,000 (2.03%)</p>

Notes:

- (1) All directors of the Corporation are elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the Corporation’s articles.
- (2) Messrs. Neil Smith (Chair) and Beynon and Ms. MacDonald are members of the Corporation’s Reserves, Health, Safety and Environment Committee.
- (3) Messrs. Steven Smith (Chair), Neil Smith, McCreath and Kohut and Ms. MacDonald are members of the Corporation’s Corporate Governance and Compensation Committee.
- (4) Messrs. Kohut (Chair), McCreath and Steven Smith are members of the Corporation’s Audit Committee.

Biographies

Ian Atkinson – Mr. Atkinson has been the founder of several private and public oil and gas companies with over 28 years of technical, executive and board of director experience. Mr. Atkinson was the founder, President and Chief Executive Officer of Gulf Pine since 2014. Prior thereto, Mr. Atkinson was a co-founder and Senior Executive Officer of Athabasca. At Athabasca, Mr. Atkinson was instrumental in the successful completion of Athabasca’s initial public offering and a significant joint venture with PetroChina Company Limited. Mr. Atkinson holds a Master of Science degree in Chemical Engineering and an Institute of Corporate Directors (ICD.D) designation.

Bruce Beynon – Mr. Beynon is a professional geologist with over 30 years of oil and gas industry experience. Mr. Beynon was the Executive Vice President, Exploration and Corporate Development at Baytex Energy Corp. from August 2018 to December 2018 and President of Raging River Exploration Inc. until August 2018. Mr. Beynon

also held executive positions with Compass Petroleum Partnership, Peloton Exploration Corp., Expor Exploration Corp. and KeyWest Energy Inc. Mr. Beynon holds a Master of Science degree in Geology.

Michael G. Kohut – Mr. Kohut is the Senior Vice President and Chief Financial Officer at Hammerhead Resources Inc. and Chairman of the board of directors at Big Rock Brewery Inc. Prior thereto, Mr. Kohut was the Vice President of Finance at Paramount Resources Ltd. from November 2017 to April 2018 and Chief Financial Officer of Trilogy Energy Corp. from June 2006 to October 2017. Mr. Kohut has over 25 years of experience in senior executive roles at various companies and on various boards of directors. Mr. Kohut holds a Bachelor of Commerce degree.

Tamara MacDonald – Ms. MacDonald was most recently the Senior Vice President, Corporate and Business Development of Crescent Point. Ms. MacDonald has been involved in over 530 transactions totaling over \$14.5 billion. Ms. MacDonald has over 28 years of industry experience. Prior to Crescent Point, Ms. MacDonald worked with NCE Petrofund Corp., Merit Energy Ltd., Tarragon Oil & Gas Ltd. and Northstar Energy Corp. Ms. MacDonald currently sits on the boards of Spartan Delta Corp. and Equinor Canada. Ms. MacDonald holds a Bachelor of Commerce degree with a major in Petroleum Land Management and an Institute of Corporate Directors (ICD.D) designation.

Andrew McCreath – Mr. McCreath has over 30 years of experience in the investment community including more than 20 years as a Portfolio Manager. Mr. McCreath is the Chief Executive Officer, Chief Investment Officer and Ultimate Designated Person of Forge First Asset Management, an alternative asset management firm in Toronto. Mr. McCreath is also the Market Commentator on BNN Bloomberg TV and host of “Weekly with Andrew McCreath”. Mr. McCreath holds a Bachelor of Business Administration degree in Finance, a Master of Business Administration degree in Economics and a Chartered Financial Analyst (CFA) designation.

C. Neil Smith – Mr. Smith has over 30 years of technical, financial and international capital markets experience. Most recently, Mr. Smith was the Chief Operating Officer at Crescent Point where he was responsible for all aspects of the company’s capital budget, safe operations, reserves management and acquisition evaluations as well as corporate operations risk management analysis and social responsibility reporting. He has a proven track record of creating shareholder value through the innovative development of assets in a safe and capital-efficient manner. Mr. Smith holds a Bachelor of Applied Science degree in Geological Engineering and a Master of Business Administration degree in Finance.

R. Steven Smith – Mr. Smith is an Independent Businessman since April 2019 and is currently a Director of Karve Energy Inc. and Jasper Brewing Inc. He started his career in the oil and gas industry in finance with management, executive and director roles with companies including Canadian Pioneer Petroleum Ltd., POCO Petroleum Ltd., Renaissance Energy Ltd., Pan East Petroleum Corp. and most recently was the Chief Financial Officer and Director of Broadview Energy Inc. In addition to the oil and gas industry, Mr. Smith has 22 years in capital markets as Chief Financial Officer and Portfolio Manager with Norrep Capital Management Ltd. and Vice President and Director – Institutional Research at FirstEnergy Capital (now Stifel | FirstEnergy) and before that Orion Securities (now Macquarie Group). Mr. Smith holds a Business degree in Accounting, a Bachelor of Arts degree in English and Chartered Accountant (CA) and Chartered Professional Accountant (CPA) designations.

Corporate Cease Trade Orders or Bankruptcies

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

None of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect 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 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.

Except as set forth below, none of the above proposed directors are, or within 10 years prior to the date of this Information Circular have been, a director or executive officer of any company that, while 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.

Michael Kohut

Mr. Kohut was a director of Great Prairie Energy Services Inc. (“**Great Prairie**”) on January 22, 2016 when it applied for and obtained an order from the Court of Queen’s Bench of Alberta under the *Companies’ Creditors Arrangement Act*. Mr. Kohut resigned as a director of Great Prairie on January 22, 2016.

Personal Bankruptcies

None of the above proposed directors have, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties and Sanctions

None of the above proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.

APPOINTMENT OF AUDITORS

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint Deloitte LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. Deloitte LLP was first appointed as the Corporation’s auditors on January 17, 2019.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of Deloitte LLP as auditors of the Corporation.

ANNUAL APPROVAL OF STOCK OPTION PLAN

The TSXV requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan. The Corporation's Stock Option Plan was last approved by Shareholders at the Corporation's previous annual general meeting held on December 8, 2020. Shareholders will be asked at the Meeting to vote on a resolution to approve the Stock Option Plan for the ensuing year.

The full text of the Stock Option Plan is attached as Schedule "A" to the management information circular of the Corporation dated November 20, 2019. Interested Shareholders may obtain a copy of the Stock Option Plan upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation's SEDAR profile at www.sedar.com. For a discussion of the terms of the Stock Option Plan, see "*Executive Compensation – Stock Option Plan*" in this Information Circular.

The Board believes that the passing of the following resolution is in the best interests of the Corporation and recommends that Shareholders vote in favour of the resolution.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED THAT:

1. the stock option plan (the "**Stock Option Plan**"), substantially in the form attached as Schedule "A" to the management information circular of the Corporation dated November 20, 2019, be and is hereby ratified and approved as the stock option plan of the Corporation;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed, under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the approval of the Stock Option Plan.

SHARE CONSOLIDATION

At the Meeting, Shareholders will be asked to pass a special resolution (the "**Consolidation Resolution**") authorizing the consolidation of the Common Shares into a lesser number of issued Common Shares. The Consolidation Resolution will authorize the Board to: (a) select a consolidation ratio of up to fifty (50) pre-consolidation Common Shares for each post-consolidation Common Share; and (b) amend the Corporation's articles of incorporation pursuant to Section 173(1)(f) of the ABCA to effect the consolidation at the selected ratio (the "**Consolidation**"). The actual ratio for the Consolidation will be determined by the Board, in its sole discretion, having regard to numerous factors, including market considerations and the advice of its advisors.

On May 3, 2021, the Corporation completed a non-brokered private placement of units ("**Units**"), with each Unit being comprised of one Common Share and one Common Share purchase warrant (each, a "**Warrant**") for gross

proceeds of \$5,465,000 (the “**Offering**”). Each Warrant is exercisable into one Common Share at a price of \$0.04 per Common Share for a period of two years from the date of issuance. The Offering price of \$0.04 per Unit was chosen in reliance on the temporary relief measures established by the TSXV in response to the COVID-19 pandemic, allowing private placements to be priced below \$0.05 per offered security (the “**Relief Measures**”); however, the Relief Measures do not apply to the exercise price of warrants. As such, the TSXV waived the \$0.05 minimum exercise price for the Offering, but as part of its conditional approval of the Offering, required the Corporation to undertake to propose a consolidation of its Common Shares to the Shareholders at its next annual general meeting, and complete such consolidation on or before December 31, 2021, such that the effective exercise price of the Warrants, on a post-consolidation basis, will be above \$0.05 per Common Share. Warrants issued pursuant to the Offering will not be exercisable until the Consolidation has occurred.

If approved and implemented, the Consolidation will occur simultaneously for all of the Corporation’s issued and outstanding Common Shares and the consolidation ratio will be same for all such Common Shares. The Consolidation will affect all holders of Common Shares uniformly and will not affect any Shareholder’s percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in a Shareholder owning a fractional Common Share. No fractional post-Consolidation Common Shares will be issued and no cash will be paid in lieu of fractional post-Consolidation Common Shares. Any fractional Common Shares resulting from the Consolidation will be rounded to the nearest whole Common Share with fractions equal to 0.5 being rounded up to the nearest whole Common Share.

The Corporation currently has an unlimited number of Common Shares available for issuance and the Consolidation will not have any effect on the number of Common Shares that remain available for future issuance. The exercise or conversion price and the number of Common Shares issuable under any convertible securities of the Corporation, including 264,755,000 warrants to purchase Common Shares, 67,112,000 Common Shares issuable upon the conversion of the Corporation’s outstanding convertible unsecured subordinated debentures and 19,400,000 Common Shares issuable upon exercise of options to purchase Common Shares (“**Options**”), will be proportionately adjusted upon the completion of the Consolidation.

The Consolidation is subject to: (a) receipt of all required regulatory approvals, including acceptance by the TSXV; and (b) the approval of the Consolidation by the Shareholders at the Meeting. If these approvals are received, the Consolidation will occur at a time determined by the Board and announced by a press release of the Corporation.

Pursuant to Section 173(1)(f) of the ABCA, the Consolidation Resolution, substantially in the form set forth below, requires approval of not less than two-thirds of the votes cast in respect thereof by the Shareholders present in person or represented by proxy at the Meeting. The Board believes that the passing of the Consolidation Resolution is in the best interest of the Corporation and unanimously recommends that Shareholders vote in favour of the Consolidation Resolution.

At the Meeting, Shareholders will be asked to consider, and if thought appropriate, pass the following special resolution:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Corporation is authorized to file articles of amendment pursuant to section 173(1)(f) of the *Business Corporations Act* (Alberta) (the “**ABCA**”) to change the number of issued and outstanding common shares in the capital of the Corporation (“**Common Shares**”) by consolidating the issued and outstanding Common Shares on the basis of a ratio to be selected by the board of directors of the Corporation (the “**Board**”) of up to fifty (50) pre-consolidation Common Shares for each post-consolidation Common Share (the “**Consolidation**”) or for such other lesser whole or fractional number of existing Common Shares that the directors, in their sole discretion, determine to be appropriate, and in the

event that the Consolidation would otherwise result in a holder of Common Shares holding a fraction of a Common Share, any fractional interest in Common Shares that is less than 0.5 of a Common Share resulting from the Consolidation will be rounded down to the nearest whole Common Share and any fractional interest in Common Shares that is 0.5 or greater of a Common Share will be rounded up to the nearest whole Common Share, such amendment to become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Corporation to implement such a Consolidation, but in any event not later than December 31, 2021, subject to approval of the TSX Venture Exchange;

2. any one director or officer of the Corporation be and is authorized and directed to execute and deliver, or cause to be delivered, articles of amendment pursuant to section 173(1)(f) of the ABCA, and to do and perform all such acts and things, sign such documents and take all such other steps as, in the opinion of such director or officer, may be considered necessary or desirable to carry out the purpose and intent of this resolution;
3. notwithstanding that this special resolution has been duly passed by the holders of the Common Shares, the directors of the Corporation may in their sole discretion revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares; and
4. any one director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

The Consolidation will not affect the validity of currently outstanding share certificates of the Corporation. However, once the Consolidation is approved by the Shareholders and implemented by the Board, Registered Shareholders will be required to exchange their Common Share certificates for Common Share certificates evidencing the post-Consolidation Common Share amount. Upon completion of the Consolidation, the Registered Shareholders will be sent a letter of transmittal containing instructions on how to surrender Common Share certificates evidencing the pre-Consolidation Common Share amount to Odyssey Trust Company (the “**Depository**”). The Depository will forward to each Registered Shareholder who has sent the required documents new Common Share certificates evidencing the new post-Consolidation Common Share amount. Until surrendered, each Common Share certificate representing pre-Consolidation Common Shares will be deemed for all purposes to represent the post-Consolidation Common Shares to which the holder is entitled following the Consolidation. Beneficial Shareholders holding Common Shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for Registered Shareholders. If Shareholders hold their Common Shares through an intermediary and they have questions in this regard, they are encouraged to contact their intermediaries.

Shareholders should not destroy any Common Share certificate(s) and should not submit any Common Share certificate(s) until requested to do so.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the Consolidation Resolution.

AMENDMENT OF ARTICLES REGARDING DISCLOSURE OF INTEREST IN SHARES

The Corporation has determined that it would be advisable to consider expanding the base of its trading and appeal for the raising of capital. To this end, the Corporation has considered steps for the admission of the Common Shares for trading on the AIM Market of the London Stock Exchange (“**AIM**”).

AIM is generally recognized as a premier trading market in Europe for junior oil and gas companies. A market which is local to Europe can also encourage European investment as the AIM market adheres to generally understood local rules, is recognized as having regulatory integrity and operates in the same time zone, all of which add to confidence and efficiency.

In order to comply with the AIM Rules for Companies (as published by the London Stock Exchange plc and amended from time to time) (the “**AIM Rules**”), certain amendments to the articles of the Corporation are required for the admission of the Common Shares to trading on AIM. The changes are intended to provide for certain practices of the AIM Rules which are part of general AIM regulatory requirements, but have not been implemented in the same manner by Canadian Securities Administrators to which the Corporation adheres as a result of being a reporting issuer in Canada with its Common Shares listed on the TSXV.

The proposed amendments to the articles of the Corporation will align them with the AIM Rules and include the following requirements, effective for as long as the Corporation has a class of shares admitted to trading on AIM:

- (a) any person who holds a legal or beneficial interest or position (whether direct or indirect) of 3% or more in any class of shares of the Corporation (each, a “**Significant Member**”) shall, without delay (and in any event within two trading days) upon becoming or ceasing to be a Significant Member, give notice to the Corporation which includes the following information:
 - (i) the identity and address of each holder of the relevant shares and of any person entitled to exercise voting rights on behalf of each such holder;
 - (ii) the date on which the transaction or Relevant Change (as defined below), as applicable, was effected;
 - (iii) the price, amount and class of the shares in which the person involved has an interest, including the voting rights attached to the relevant shares before and after the transaction or Relevant Change, as applicable, was effected;
 - (iv) the circumstances by reason of which the person involved has acquired such interests, the nature of the transaction and the reason for the notification;
 - (v) the thresholds that were crossed;
 - (vi) the nature and extent of the Significant Member’s interest in the transaction, including the chain of controlled undertakings through which the voting rights are effectively held; and
 - (vii) such other particulars as may be prescribed by the AIM Rules and/or the rules of the TSXV from time to time;
- (b) if there is any change of interest in shares of a Significant Member which increases, decreases or results in such interest falling below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% (a “**Relevant Change**”), such Significant Member shall, without delay (and in any

event within two trading days), give notice to the Corporation containing the information set forth above in clause (a); and

- (c) the requirements of Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) of the UK Financial Conduct Authority Handbook, including, without limitation, the shareholder notification rules set forth therein, are incorporated by reference into the articles of the Corporation.

The foregoing summary is qualified in its entirety by the full text of the schedule containing other rules and provisions which will, upon receipt of Shareholder approval at the Meeting, be attached to and form part of the articles of the Corporation, a copy of which is attached hereto as Schedule "A".

Pursuant to Section 173(1)(n) of the ABCA, the amendment of the articles of the Corporation to comply with the AIM Rules must be approved by a special resolution of Shareholders (the "**AIM Resolution**"), substantially in the form set forth below. Accordingly, to be adopted, the AIM Resolution must be approved by at least two-thirds of the votes cast at the Meeting by Shareholders in person or represented by proxy. The Board believes that the passing of the AIM Resolution is in the best interest of the Corporation and unanimously recommends that Shareholders vote in favour of the AIM Resolution.

At the Meeting, Shareholders will be asked to consider, and if thought appropriate, pass the following special resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Corporation is authorized to file articles of amendment pursuant to section 173(1)(n) of the *Business Corporations Act* (Alberta) (the "**ABCA**") by attaching to the articles a schedule containing other rules and provisions, a copy of which is attached as Schedule "A" to the information circular of the Corporation dated June 16, 2021;
2. any one director or officer of the Corporation be and is authorized and directed to execute and deliver, or cause to be delivered, articles of amendment pursuant to section 173(1)(n) of the ABCA, and to do and perform all such acts and things, sign such documents and take all such other steps as, in the opinion of such director or officer, may be considered necessary or desirable to carry out the purpose and intent of this resolution;
3. notwithstanding that this special resolution has been duly passed by the holders of the Common Shares, the directors of the Corporation may in their sole discretion revoke this special resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares; and
4. any one director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the AIM Resolution.

OTHER MATTERS COMING BEFORE THE MEETING

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), the Corporation is required to disclose certain information with respect to its compensation of executive officers and directors, as summarized below.

General

For the purpose of this statement of executive compensation, a “**CEO**” or “**CFO**” means each individual who served as Chief Executive Officer or Chief Financial Officer, respectively, of the Corporation or acted in a similar capacity during the most recently completed financial year. A “**Named Executive Officer**” or “**NEO**” means each CEO, each CFO, the Corporation’s most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, and any additional individuals who would be a Named Executive Officer but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

Based on the foregoing definitions, the Corporation’s Named Executive Officers in respect of the year ended December 31, 2020 were: Ian Atkinson, President, CEO and a director; Calvin Yau, CFO and Vice President, Finance; Gary McMurren, Vice President, Engineering; Chris Birchard, Vice President, Exploration; Erin Buschert, Vice President, Land; and Jim McFadyen, Vice President, Operations.

Compensation Philosophy, Objectives and Governance

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Executive officers are motivated through the program to enhance long-term shareholder value.

The Corporate Governance and Compensation Committee, on behalf of the Board, monitors compensation for the executive officers and directors of the Corporation and is currently comprised of R. Steven Smith (Chair), Michael G. Kohut, Tamara MacDonald, Andrew McCreath and Neil Smith. The Corporate Governance and Compensation Committee has the authority to engage and compensate, at the expense of the Corporation, any outside advisor that it determines to be necessary to permit it to carry out its duties, but it did not retain any such outside advisors in the financial year ended December 31, 2020.

Compensation Process

The Corporate Governance and Compensation Committee relies on the knowledge and experience of its members to set appropriate levels of compensation for the directors and NEOs. When determining NEO compensation, the Corporate Governance and Compensation Committee uses all data available to it to ensure that such compensation is set at a level that is both commensurate with the size of the Corporation, responsibilities of the particular NEO and retention of the NEOs who are considered by the Corporate Governance and Compensation Committee to be essential to the success of the Corporation. In reviewing comparative data, the Corporate Governance and

Compensation Committee benchmarks and compares its compensation practices against industry peers to ensure its compensation program is commensurate with other comparable companies operating in the oil and gas industry. The Corporate Governance and Compensation Committee considered the size (based on market capitalization, enterprise value, oil & gas production levels and concentration and operating revenue) and stage of development of the following eight companies in determining an appropriate compensation peer group of competitors:

Advantage Oil & Gas Ltd.	Spartan Delta Corp.
Canacol Energy Ltd.	Cuda Oil and Gas Inc.
InPlay Oil Corp.	Leucrotta Exploration Inc.
Petroshale Inc.	Storm Resources Ltd.

Peer group constituents are reviewed on a regular basis to ensure their continued relevance. The same group is used to benchmark the Corporation's director compensation.

The Corporate Governance and Compensation Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary and awards of Options) and recommends the NEOs' compensation packages to the Board. In determining whether and how many Options will be granted, the Corporation does not use any formal objectives, criteria or analyses in reaching such determinations; however, consideration is given to the amount and terms of outstanding Options.

Elements of Executive Compensation

The significant elements of compensation awarded to the NEOs are a cash salary, bonus and Options. The Corporation does not presently have a long-term incentive plan for its NEOs. The Board reviews annually the total compensation package of each of the Corporation's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

Cash Salary and Bonus

Base compensation and bonus for executive officers of the Corporation is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions and peer group analysis. In setting base compensation and bonus levels, consideration is to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the TSXV. Subjective factors such as leadership, commitment and attitude are also to be considered.

Options

To provide a long-term component to the executive compensation program, executive officers of the Corporation are eligible to receive Options. The maximization of shareholder value is encouraged by granting Options since it provides an incentive to eligible persons to further the development, growth and profitability of the Corporation. Consideration will be given to granting Options amongst the various organizational levels of management, including directors, officers, key employees and certain consultants. The CEO makes recommendations to the Board for the CFO, key employees and certain consultants. These recommendations are to take into account factors such as awards made in previous years, the number of Options outstanding per individual and the level of responsibility. The Board, as a whole, determines the Options to be issued to the CEO.

Elements of Director Compensation

The Corporation's non-executive directors are provided cash remuneration for their services to the Corporation as directors. The cash remuneration includes an annual retainer and additional cash remuneration for the Chairman of the various committees of the Board. All directors are reimbursed for reasonable expenses incurred by them in their

capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Stock Option Plan. The Corporation's directors do not have service contracts with respect to their roles as directors. The Board annually reviews the Corporation's approach to director compensation, generally, against the backdrop of the compensation goals and objectives described above.

Summary Compensation Table

NI 51-102 requires the disclosure of the compensation received by each NEO and director of the Corporation for each of the two most recently completed financial years.

The following table and notes thereto provide a summary of the compensation paid to the NEOs and directors of the Corporation for the two most recently completed financial years:

<u>Name and Position</u>	<u>Year</u>	<u>Salary, Consulting Fees, Retainer or Commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or Meeting Fees (\$)</u>	<u>Value of Perquisites (\$)</u>	<u>Value of All Other Compensation (\$)</u>	<u>Total Compensation (\$)</u>
Named Executive Officers							
Ian Atkinson ⁽¹⁾ <i>President, CEO and a Director</i>	2020	185,000	-	-	-	-	185,000
	2019	214,000	-	-	-	-	214,000
Calvin Yau ⁽²⁾ <i>Vice President, Finance and CFO</i>	2020	175,000	-	-	-	-	175,000
	2019	203,000	-	-	-	-	203,000
Gary McMurren ⁽²⁾ <i>Vice President, Engineering</i>	2020	175,000	-	-	-	-	175,000
	2019	203,000	-	-	-	-	203,000
Chris Birchard ⁽²⁾ <i>Vice President, Exploration</i>	2020	175,000	-	-	-	-	175,000
	2019	203,000	-	-	-	-	203,000
Erin Buschert ⁽²⁾ <i>Vice President, Land</i>	2020	175,000	-	-	-	-	175,000
	2019	203,000	-	-	-	-	203,000
Jim McFadyen ⁽²⁾ <i>Vice President, Operations</i>	2020	175,000	-	-	-	-	175,000
	2019	203,000	-	-	-	-	203,000
Directors							
Bruce Beynon ⁽³⁾	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Michael G. Kohut ⁽³⁾	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Tamara MacDonald ⁽³⁾	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Andrew McCreath ⁽³⁾	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
C. Neil Smith ⁽³⁾	2020	-	-	-	-	-	-

<u>Name and Position</u>	<u>Year</u>	<u>Salary, Consulting Fees, Retainer or Commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or Meeting Fees (\$)</u>	<u>Value of Perquisites (\$)</u>	<u>Value of All Other Compensation (\$)</u>	<u>Total Compensation (\$)</u>
	2019	-	-	-	-	-	-
R. Steven Smith ⁽⁴⁾	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-

Notes:

- (1) Mr. Atkinson was appointed President and CEO on December 11, 2018 in connection with the Recapitalization. All of the compensation paid to Mr. Atkinson relates to his role as President and CEO. Mr. Atkinson does not receive any compensation for his role as a director.
- (2) Messrs. Yau, McMurren, Birchard and McFadyen and Ms. Buschert were appointed to their respective positions on December 19, 2018 in connection with the Recapitalization.
- (3) Messrs. Beynon, Kohut, McCreath, and Neil Smith and Ms. MacDonald were appointed directors on December 19, 2018 in connection with the Recapitalization.
- (4) Mr. Steven Smith was appointed director on December 11, 2018 in connection with the Recapitalization.

Stock Options and Other Compensation Securities

None of the NEOs or directors of the Corporation were granted any compensation securities during the most recently completed financial year.

Exercise of Compensation Securities

None of the NEOs or directors of the Corporation exercised any compensation securities during the most recently completed financial year.

Stock Option Plan

The Corporation has implemented the Stock Option Plan for directors, officers, employees, and consultants of the Corporation, and of its subsidiaries, if any, and employees of a person or company which provides management services to the Corporation or its subsidiaries (each, an “**Optionee**”), in accordance with the rules and policies of the TSXV. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire Common Shares, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentives in their efforts on behalf of the Corporation in the conduct of its affairs.

Pursuant to the Stock Option Plan, the Corporation has authorized, subject to any regulatory approvals, the reservation of up to ten percent of the issued and outstanding Common Shares for the grant of Options from time to time.

Under the Stock Option Plan, the Board may from time to time grant to Optionees, as the Board shall designate, Options to purchase from the Corporation such number of its Common Shares as the Board shall designate.

The aggregate number of Common Shares which may be reserved for issuance to any one person under the Stock Option Plan and which are subject to outstanding Options granted under the Stock Option Plan must not exceed five percent of the issued Common Shares (determined at the date the Option was granted). The number of Common Shares granted to any one consultant under the Stock Option Plan in a twelve-month period must not exceed two percent of the issued Common Shares of the Corporation, calculated at the date the Option was granted to the consultant. The aggregate number of Options granted to eligible persons employed to provide investor relations

activities under the Stock Option Plan must not exceed two percent of the issued Common Shares in any twelve-month period, calculated at the date the Option was granted. The maximum number of Common Shares which may be reserved for issuance to insiders under the Stock Option Plan shall not exceed ten percent of the total number of Common Shares then outstanding and the maximum number of Common Shares which may be issued to insiders under the Stock Option Plan within any twelve-month period shall not exceed ten percent of the total number of Common Shares then outstanding.

The period during which an Option is exercisable may not exceed ten years from the date such Option is granted. All Options are non-assignable and non-transferrable unless otherwise specifically provided for in the Stock Option Plan. Options may be exercised at a price that shall be fixed by the Board at the time that the Option is granted. The price which the Common Shares may be acquired upon exercise of an Option may not be less than the price permitted under the rules of any stock exchange on which the Common Shares are listed. The Option vesting provisions are determined by the Board at the time of grant.

If prior to the exercise of an Option, the holder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Option may be exercised within the earlier of up to 90 days after such cessation or the expiry of the Option, but only to the extent that the holder was entitled to exercise the Option at the date of cessation. In the case of Optionees engaged in investor relations activities, such exercise must occur within 30 days of cessation of the Optionee's service to the Corporation (subject to extension at the discretion of the Board). In the case of the death of an Optionee, the Option may be exercised within the earlier of up to 12 months after such death or the expiry of the Option, but only to the extent that the holder was entitled to exercise the Option at the date of death.

The Board may terminate or discontinue the Stock Option Plan at any time without the consent of the participants under the Stock Option Plan provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Stock Option Plan.

As at the financial year ended December 31, 2020, there were 19,400,000 Common Shares reserved for issuance pursuant to the Stock Option Plan.

Employment, Consulting and Management Agreements

Except as provided below, there were no agreements or arrangements under which compensation was provided during the financial year ended December 31, 2020, or is payable, in respect of services provided to the Corporation or any of its subsidiaries that were performed by a NEO or director of the Corporation, or were performed by any other party but are services typically provided by a NEO or director of the Corporation.

On July 15, 2019, the Corporation entered into executive employment agreements with Messrs. Atkinson, Yau, McMurren, Birchard and McFadyen and Ms. Buschert in connection with their roles as President and Chief Executive Officer; Chief Financial Officer, Vice President, Finance; Vice President, Engineering; Vice President, Exploration; Vice President, Operations; and Vice President, Land, respectively (the "**Employment Agreements**").

The Employment Agreements provide a termination payment upon a termination by: (a) the executive if, within ninety days from a change of control, good reason exists and is not cured within thirty days of notice of termination provided by the executive (as such terms are defined in the Employment Agreements); or (b) the Corporation without cause. The termination payment shall be equal to, in relation to each Employment Agreement the aggregate of: (a) all accrued but unpaid expenses required to be reimbursed under the relevant Employment Agreement and salary for services rendered up to the termination date; (b) the pro-rated value of any accrued but unused vacation entitlement as at the termination date for that portion of the calendar year in which the executive was actively employed; (c) the greater of either: (i) the amount of minimum notice or, at the Corporation's option, payment in lieu thereof, or combination of notice and pay in lieu thereof, required by the *Employment Standards Code* (Alberta);

or (ii) notice of termination or, at the Corporation's option, pay in lieu of notice (where by way of salary continuation or lump sum) or a combination of notice and pay in lieu thereof, equivalent to 18 months for Mr. Atkinson and 12 months for the other NEOs; and (d) twenty percent of the executive's salary (as at the termination date) as compensation for the loss of employment benefits.

The estimated payments which would be payable by the Corporation under the Employment Agreements, assuming a termination of employment without cause occurred on the date hereof, would be, in the aggregate, \$1,600,000.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2020, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders:

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	19,400,000	\$0.10	2,677,028
Equity Compensation Plans Not Approved by Securityholders	-	\$-	-
Total⁽¹⁾	19,400,000	\$-	2,677,028

Note:

- (1) On June 20, 2019 the Corporation granted 19,400,000 Options to directors, officers and employees pursuant to the Stock Option Plan at an exercise price of \$0.10 per Common Share.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or executive officer of the Corporation, nor any of their associates or affiliates, nor any employee of the Corporation is or has been indebted to the Corporation since the beginning of the most recently completed fiscal year of the Corporation, nor is, or at any time since the beginning of the most recently completed fiscal year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as provided below, there are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year.

Sanjib Gill, the Corporate Secretary of the Corporation, is a partner of the national law firm Stikeman Elliott LLP, which law firm rendered legal services to the Corporation.

On May 23, 2019, the Corporation entered into an agreement with a syndicate of agents co-led by Laurentian Bank Securities Inc. ("LBS"), Canaccord Genuity Corp. and Eight Capital, and including Haywood Securities Inc., Desjardin Securities Inc. and Cormark Securities Inc., relating to an offering by the Corporation pursuant to which the Corporation sold \$8.1 million of convertible unsecured subordinated debentures of the Corporation (the

“**Debentures**”). The offering of Debentures was completed on June 14, 2019. As of the date hereof, LBS owns approximately 11.69% of the Common Shares on a partially-diluted basis assuming the conversion of the Debentures held by LBS into Common Shares. LBS received \$127,000 of Debentures as a fee for the Debenture offering and received \$132,000 of Debentures as a payment-in-kind of accrued interest under the Debentures on January 15, 2021.

On April 30, 2021, the Corporation entered into a credit agreement with Invico Diversified Limited Partnership (“**Invico**”), pursuant to which the Corporation granted 41,250,000 non-transferrable Common Share purchase warrants (the “**Bonus Warrants**”) to Invico. As of the date hereof, Invico owns approximately 10.35% of the Common Shares on a partially-diluted basis assuming the Bonus Warrants are converted into Common Shares.

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

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director or executive officer or anyone who has held office as such since the beginning of the Corporation’s last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Corporation. The Board and the Corporation’s management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation’s approach to corporate governance.

Corporate Governance

The Board has established a Corporate Governance and Compensation Committee. The members of the Corporate Governance and Compensation Committee are Messrs. Steven Smith, Neil Smith, McCreath, Kohut and Ms. McDonald. Mr. Steven Smith is the Chairman of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee is comprised entirely of non-management members of the Board, and the Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation’s expense. The Corporate Governance and Compensation Committee meets at least twice annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance and Compensation Committee.

The Corporate Governance and Compensation Committee is responsible for proposing new director nominees to the Board and for assessing current directors on an ongoing basis. The Corporate Governance and Compensation Committee is also responsible for the Corporation’s response to and implementation of the guidelines set forth from time to time by any applicable regulatory authorities.

Independence of Members of the Board

The Board currently consists of seven directors, six of whom are independent based upon the tests for independence set forth in NI 52-110. Messrs. Beynon, Steven Smith, Neil Smith, McCreath and Kohut and Ms. MacDonald are independent. Mr. Atkinson is not independent by virtue of serving as President and Chief Executive Officer of the Corporation.

Board Oversight

The Board exercises its independent supervision over the Corporation's management through a combination of formal meetings of the Board, as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in-camera session among the independent and disinterested directors.

Directorships in Other Reporting Issuers

As of the date hereof, the following directors hold directorships in other reporting issuers:

<u>Name of Director</u>	<u>Reporting Issuer</u>
Michael G. Kohut	Big Rock Brewery Inc. (Chair)
Tamara MacDonald	Spartan Delta Corp.

Board Mandate

The Board has adopted a written mandate, the full text of which is attached as Schedule "E" to the management information circular of the Corporation dated November 20, 2019 that summarizes, among other things, the Board's duties and responsibilities. Interested Shareholders may obtain a copy of the mandate upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation's SEDAR profile at www.sedar.com. The Board is responsible for the overall stewardship of the Corporation and dealing with issues which are pivotal to determining the Corporation's strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day to day operations of the Corporation, as these operations are conducted by the Corporation's management. The Board meets regularly to consider and approve the strategic objectives of the Corporation and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession and risk management.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementations of these strategies are then monitored by the Board. The Board, through the Audit Committee, requires management of the Corporation to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Shareholders and the public. The Corporation's management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, annual information forms, prospectuses and information circulars.

The Corporate Governance and Compensation Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance and Compensation Committee also acts as a nominating committee for new directors, oversees and approves the Corporation's compensation plans and evaluates the overall Board effectiveness.

Position Descriptions

The Board has developed a written position description for the Chairman of the Board and the Chief Executive Officer of the Corporation, but has not developed a written position description for the Chairman of the Audit Committee.

The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

Orientation and Continuing Education

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Corporation, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSXV for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the “**Code**”) wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. Interested Shareholders may obtain a copy of the Code upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation’s SEDAR profile at www.sedar.com.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Corporate Governance and Compensation Committee. Compliance with the Code is monitored primarily through the reporting process within the Corporation’s organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect of same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

Nomination of Directors

The Corporate Governance and Compensation Committee has responsibility for identifying potential Board candidates. The Corporate Governance and Compensation Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The written charter of the Corporate Governance and Compensation Committee includes considering and recommending candidates to fill new positions on the Board, reviewing candidates recommended by Shareholders, conducting inquiries into the backgrounds and qualifications of candidates, recommending the director nominees for approval by the Board and the Shareholders, considering conflicts of interests, recommending members and chairs of the committees, reviewing the performance of directors and the Board, establishing director retirement policies and establishing and implementing an orientation and education program for new members of the Board.

Compensation

The Board has established a Corporate Governance and Compensation Committee (see “*Corporate Governance*”, above). The members of the Corporate Governance and Compensation Committee are independent and have the responsibility for determining compensation for the directors, officers, employees and consultants of the Corporation. Please see the discussion under the heading “*Executive Compensation*”.

The Corporation’s Corporate Governance and Compensation Committee reviews and makes recommendations to the Board concerning the compensation of the Corporation’s directors, officers and employees, which includes the review of the Corporation’s executive compensation and other human resource philosophies and policies, the review and administration of the Corporation’s bonuses, Options and any share purchase plan, the review of and recommendations regarding the performance of the Chief Executive Officer of the Corporation and preparing and submitting a report for inclusion in annual continuous disclosure documents as required.

The responsibilities, powers and operations of the Corporate Governance and Compensation Committee, in respect of compensation include: (a) reviewing the adequacy and form of any compensation program for executive officers; (b) reviewing the adequacy and form of non-employee directors' compensation; (c) reviewing and creating a position description for the Chief Executive Officer; (d) evaluating the Chief Executive Officer's performance in light of corporate goals and objectives; (e) making recommendations to the Board with respect to the Chief Executive Officer's compensation; (f) setting criteria for selecting new directors; (g) recommending to the Board the size of the Board, the appropriate composition of the board and eligible individuals for election to the Board, a majority of whom shall be independent; (h) recommending to the Board the appropriate committee structure, committee mandates, composition and membership; and (i) reviewing and recommending to the Board a set of corporate governance policies, practices and principles aimed at fostering a healthy governance culture at the Corporation.

Audit Committee

See "*Audit Committee*", below.

Reserves, Health, Safety and Environment Committee

The members of the Reserves, Health, Safety and Environment Committee are Messrs. Neil Smith and Beynon and Ms. MacDonald. Mr. Neil Smith is the Chairman of the Reserves, Health, Safety and Environment Committee. The Reserves, Health, Safety and Environment Committee's responsibilities include, but are not limited to: (a) reviewing management's recommendations for the appointment of independent engineers; (b) reviewing the independent engineering reports and considering the principal assumptions upon which such reports are based; (c) reviewing management's input into the independent engineering report and key assumptions used; (d) reviewing the reserve additions and reserve revisions which occur from one report to the next and seeking the independent engineer's input and management's input with respect to why these revisions have occurred; (e) reviewing the information supplied to the independent engineers with respect to the constant price case, operating costs, royalty burdens, required capital expenditures, recovery rates, decline rates and other matters; (f) annually reviewing the appropriateness of, and updating, the Corporation's environmental policies, management systems and programs and reporting to the Board thereon; (g) ensuring that the Corporation has the necessary tools to measure its business units' environmental performance and compliance with applicable regulatory standards; (h) reviewing the environmental performance and, whenever relevant, any non-compliance situation of the Corporation's business units, to recommend the required corrective measures; (i) ensuring that environmental risk management procedures and emergency response measures are in place and are periodically updated and distributed within the Corporation; (j) assessing the environmental risks and emergency situations brought to its attention to recommend the required corrective measures; (k) immediately communicating any incident giving rise to significant environmental risks to the Board; (l) recommending to the Board that the Corporation exercise due diligence with respect to non-compliance situations, environmental risks or emergency situations brought to its attention; (m) reviewing and reporting to the Board on all legal notices or civil, penal and/or criminal prosecutions brought to its attention; (n) recommending to the Board measures, including necessary investments, taking into account available technologies and economic and financial restraints, to ensure compliance with regulatory standards and the Corporation's environmental policies and programs; (o) analyzing all environmental matters brought to its attention and deemed relevant or that the Board specifically asks the committee to review; and (p) reporting to the Board on the Corporation's environmental policies, programs and situation and make appropriate recommendations.

Assessments

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board

is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board. The Board relies on informal evaluations of the effectiveness through both formal and informal communications with Board members and through participation with other Board members on committees and matters relating to the Board.

AUDIT COMMITTEE

The purpose of the Corporation's Audit Committee is to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Corporation.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Charter

The Corporation's Audit Committee charter (the "**Audit Committee Charter**") was adopted by the Board, the full text of which is attached as Schedule "B" to the annual information form of the Corporation for the fiscal year ended December 31, 2018, dated April 3, 2019, which is incorporated by reference into this Information Circular. Interested Shareholders may obtain a copy of the Audit Committee Charter upon request (free of charge) by contacting the Corporation at Suite 2400, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1, or by accessing the Corporation's SEDAR profile at www.sedar.com. The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Corporation's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

Composition of the Audit Committee

As of the date hereof, the Audit Committee is comprised of:

<u>Name of Director</u>	<u>Independent (Yes/No)⁽¹⁾</u>	<u>Financially Literate (Yes/No)</u>
Mr. Kohut (Chairman)	Yes	Yes
Mr. McCreath	Yes	Yes
Mr. Steven Smith	Yes	Yes

Note:

(1) As defined in NI 52-110.

Relevant Education and Experience

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;

- (c) 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
- (d) an understanding of internal controls and procedures for financial reporting.

Mr. Kohut is the Chairman of the Audit Committee. Mr. Kohut is also the Chairman of the Board at Big Rock Brewery Inc. and the Senior Vice President and Chief Financial Officer at Hammerhead Resources. Prior thereto, he was the Vice President of Finance at Paramount Resources Ltd. from November 2017 to April 2018 and the Chief Financial Officer of Trilogy Energy Corp. from June 2006 to October 2017.

Mr. McCreath is a Chartered Financial Analyst with over 30 years of experience in the investment community including the last 20 years as a Portfolio Manager. Mr. McCreath is the Chief Executive Officer, Chief Investment Officer and Ultimate Designated Person of Forge First Asset Management, an alternative asset management firm in Toronto. Mr. McCreath is also the Market Commentator on BNN Bloomberg TV.

Mr. Smith is a Chartered Accountant with over 40 years of business experience. After articling at KPMG and obtaining his Chartered Accountant designation, he moved to the oil and gas industry and worked exclusively in management and executive roles at companies including Canadian Pioneer, POCO Petroleum, Renaissance Energy and Pan East Petroleum before becoming an equity research analyst at the Bank of Montreal. Mr. Smith has 22 years of experience in capital markets as Chief Financial Officer and Portfolio Manager with Norrep Capital Management Ltd. and Vice President and Director – Institutional Research at FirstEnergy Capital (now Stifel | FirstEnergy) and before that Orion Securities (now Macquarie Group). Mr. Smith holds a Business degree in Accounting, a Bachelor of Arts degree in English and Chartered Accountant (CA) and Chartered Professional Accountant (CPA) designations. He is currently a director of Karve Energy Inc. and Jasper Brewing Inc. He was previously the Chief Financial Officer and a Director of Broadview Energy Inc. and before that, a Portfolio Manager and CFO at NCM Investments.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been 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 the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chairman of the Audit Committee deems as necessary.

External Auditor Service Fees (By Category)

The fees for auditor services billed by the Corporation's external auditors for the last two fiscal years are as follows:

Financial Year Ending December 31	Audit Fees⁽¹⁾	Audit-related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2020	\$110,000	\$38,000	\$-	\$45,000

2019	\$90,000	\$102,500	\$-	\$17,500
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Notes:

- (1) Audit fees are the aggregate fees billed by the Corporation's auditor for audit services.
- (2) Audit-related fees are the aggregate fees billed for assurance and related services by the Corporation's auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statement and are not disclosed under "Audit fees".
- (3) Tax fees are the aggregate fees billed for professional services rendered by the Corporation's auditor for tax compliance, tax advice and tax planning.
- (4) All other fees are the aggregate fees billed for services provided by the Corporation's auditor other than the services reported under "Audit fees", "Audit-related fees" and "Tax fees".

Reliance on Certain Exemptions

The Corporation is relying on the exemption in section 6.1 of NI 52-110.

ADDITIONAL INFORMATION

Financial information of the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting the Corporation's Chief Financial Officer at 2400, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1 or by phone at 587-287-5400.

Copies of these documents, as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at www.sedar.com.

SCHEDULE “A”
OTHER RULES AND PROVISIONS ATTACHED TO AND FORMING PART OF THE ARTICLES OF
CONTINUANCE OF SOUTHERN ENERGY CORP.

In this Schedule the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

- (a) “**AIM**” means the market of that name operated by the London Stock Exchange.
- (b) “**DTR 5**” means Chapter 5 of the Disclosure Guidance and Transparency Rules (as amended from time to time) of the Handbook.
- (c) “**Financial Instrument**” means any financial instrument requiring disclosure in accordance with DTR 5.
- (d) “**Handbook**” means the UK Financial Conduct Authority Handbook
- (e) “**London Stock Exchange**” means the London Stock Exchange plc or its successor from time to time.
- (f) “**Market Rules**” means the AIM rules for companies published by the London Stock Exchange (including any modification, amendment or replacement thereof) and/or, where the context so requires, the rules from time to time of any other recognised investment exchange on which the securities of the Corporation are listed, traded or dealt in.
- (g) “**Regulated Market**” has the meaning ascribed to it in the Handbook, from time to time.
- (h) “**Relevant Change**” means a change to a Significant Member’s interest in shares which reaches, decreases or falls below the following thresholds: 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% (or such other levels as may be prescribed by the Market Rules).
- (i) “**Significant Member**” means any person who has a legal or beneficial interest (whether direct or indirect, including by way of a position in a Financial Instrument) of 3% or more in any class of shares.

This Schedule shall only have effect during such times as any Common Shares, or securities in the capital of the Corporation, are admitted to trading on AIM or a Regulated Market. During such time, each shareholder shall be under an obligation to make notifications in accordance with the provisions of this Schedule.

- (j) If at any time the Corporation shall have a class of shares admitted to trading on AIM, the provisions of DTR 5 shall be deemed to be incorporated by reference into this Schedule and accordingly the vote holder and issuer notification rules set out in DTR 5 shall apply to the Corporation and each shareholder. Notwithstanding the time limits for disclosure set out in DTR 5, the Corporation is required by the Market Rules to announce via a Regulatory Information Service (as defined in the Market Rules) all the information contained in any vote holder notification without delay.
- (k) For the purposes of the incorporation by reference of DTR 5 into this Schedule and the application of DTR 5 to the Corporation and each shareholder, the Corporation shall (for the purposes of this Schedule only) be deemed to be a non-UK issuer, as such term is defined in DTR 5.
- (l) For the purposes of this Schedule only, defined terms in DTR 5 shall bear the meaning set out in DTR 5, and if the meaning of a defined term is not set out in DTR 5, the defined term shall bear

the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR 5).

- (m) For as long as the Corporation is admitted to AIM and in order for the Corporation to comply with its disclosure obligations under the Market Rules, without prejudice to the provisions of paragraph (b):
- (i) a Significant Member shall, without delay (and in any event within 2 trading days) after:
 - (A) becoming, or becoming aware that he is; or
 - (B) ceasing to be, or becoming aware that he has ceased to be,a Significant Member, give notice in writing to the Corporation, stating the information required under paragraph (d)(iii). Each shareholder is also required, to the extent that he is lawfully able to do so, to notify the Corporation if any other person acquires or ceases to have a notifiable interest of which he is the registered holder, or, if unable lawfully to provide such notification, to use his reasonable endeavours to procure that such other person makes notification of his interest to the Corporation;
 - (ii) where there is a Relevant Change, a Significant Member shall give notice in writing to the Corporation, stating the information required under paragraph (d)(iii), without delay (and in any event within 2 trading days) after he becomes aware of such change;
 - (iii) the information referred to in paragraphs (d)(i) and (d)(ii) is as follows:
 - (A) the identity and address of each holder of the relevant shares and of any person entitled to exercise voting rights on behalf of each such holder;
 - (B) the date on which the transaction or Relevant Change (as applicable) was effected;
 - (C) the price, amount and class of the shares and/or Financial Instruments in which the person involved has a legal or beneficial interest or interests or position (whether direct or indirect), including the voting rights attached to the relevant shares and/or Financial Instruments before and after the transaction or Relevant Change (as applicable) was effected;
 - (D) the circumstances by reason of which the person involved has acquired such interests, the nature of the transaction and the reason for the notification;
 - (E) the thresholds that were crossed;
 - (F) the nature and extent of the Significant Member's interest in the transaction, including the chain of controlled undertakings (construed for the purposes of DTR 5) through which the voting rights and/or the Financial Instruments are effectively held;
 - (G) where the notification concerns a Financial Instrument, the detailed nature of the exposure; and

- (H) such other particulars as may be prescribed by the AIM Rules and/or the rules of the TSX Venture Exchange from time to time.
- (n) For the purposes of paragraph (d) and this paragraph (e) and the definitions of Relevant Change and Significant Member, and without prejudice to the provisions of paragraph (b), references to an interest in shares or Financial Instruments shall include a direct or indirect holding of the voting rights of any class of shares, and a person will be an indirect holder of voting rights to the extent that he is entitled to acquire, dispose of or exercise voting rights in respect of them in any of the following cases or a combination of them:
 - (i) voting rights held by a third party with whom that person has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Corporation;
 - (ii) voting rights held by a third party under an agreement concluded with that person providing for the temporary transfer for consideration of the voting rights in question;
 - (iii) voting rights attaching to shares which are lodged as collateral with that person provided that person controls the voting rights and declares its intention of exercising them;
 - (iv) voting rights attaching to shares in which that person has the life interest;
 - (v) voting rights which are held, or may be exercised within the meaning of paragraphs (e)(i) to (e)(iv), or in cases under paragraphs (e)(v) and (e)(vii) by a firm undertaking investment management, or by a management company, or by an undertaking controlled by that person;
 - (vi) voting rights attaching to shares deposited with that person which the person can exercise at its discretion in the absence of specific instructions from the shareholder;
 - (vii) voting rights held by a third party in his own name on behalf of that person;
 - (viii) voting rights which that person may exercise as a proxy where that person can exercise the voting rights at his discretion in the absence of specific instructions from the shareholder; and
 - (ix) voting rights held by a depository where that person holds the underlying depository interests in respect thereof.
- (o) If the Corporation determines that a shareholder (a Defaulting Holder) has not complied with the provisions of DTR 5 or this Schedule with respect to some or all of such shares held by such shareholder (for the purpose of this Schedule being the Default Shares), the Corporation shall have the right by delivery of notice to the Defaulting Holder (a Default Notice) to:
 - (i) suspend the right of such Defaulting Holder to vote the Default Shares in person or by proxy at any meeting of the Corporation. Such a suspension shall have effect from the date on which the Default Notice is delivered by the Corporation to the Defaulting Holder until a date that is not more than seven (7) days after the Corporation has determined in its sole discretion that the Defaulting Holder has cured the non-compliance with the provisions of DTR 5 and/or this Schedule, as appropriate; provided however, that the Corporation may

at any time by subsequent written notice cancel or suspend the operation of a Default Notice;

- (ii) withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares;
- (iii) render ineffective any election to receive shares of the Corporation instead of cash in respect of any dividend or part thereof; and/or
- (iv) prohibit the transfer of any shares of the Corporation held by the Defaulting Holder except with the consent of the Corporation or if the Defaulting Holder can provide satisfactory evidence to the Corporation to the effect that, after due inquiry, such shareholder has determined that the shares to be transferred are not Default Shares.