



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON**

**May 16, 2023**

**MANAGEMENT INFORMATION CIRCULAR**

**April 17, 2023**



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") of STAMPEDE DRILLING INC. (the "**Corporation**") will be held in the Western Canadian Place Conference Centre, South Tower, 3rd Floor, 700 – 9th Ave SW, Calgary, Alberta on Tuesday, May 16, 2023 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended December 31, 2022 together with the auditors' report thereon;
2. to fix the number of directors to be elected at the meeting at eight (8);
3. to elect directors of the Corporation;
4. to appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Calgary, Alberta, as auditors of the Corporation and to authorize the directors to fix the remuneration of the auditors;
5. to consider and, if thought advisable, to pass an ordinary resolution approving the Corporation's incentive stock option plan (the "**Option Plan**"), which provides that the maximum number of Common Shares that may be reserved for issuance under the Option Plan from time to time shall not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time;
6. to consider and, if thought advisable, to pass, with or without variation, a special resolution authorizing the amendment of the Corporation's articles to consolidate the issued and outstanding Common Shares at such time and on such a basis as the board of directors of the Corporation may determine, provided that the consolidation not be greater than a 12 to 1 basis; and
7. to transact such further or other business as may properly come before the Meeting or any adjournments thereof.

The specific details of the matters the Corporation intends to put before Shareholders at the Meeting are contained in the accompanying management information circular dated April 17, 2023 (the "**Circular**"). Shareholders are directed to read the Circular carefully in evaluating the matters for consideration at the Meeting.

All Shareholders of record as of April 11, 2023, are entitled to vote their Common Shares at the Meeting, or at any adjournment thereof, either in person or by proxy.

**SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO COMPLETE, SIGN AND DATE THE ACCOMPANYING FORM OF PROXY IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED THEREIN AND, IN THE CIRCULAR, AND RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.**

Registered Shareholders are requested to deposit their duly executed form of proxy with the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, by mail at 100 University Avenue, 8<sup>th</sup> Floor, North Tower, Toronto, Ontario M5J 2Y1 Attn: Proxy Department, by fax to 1-866-249-7775 or by voting online in accordance with the instructions on the form of proxy no later than 10:00 a.m. (Calgary time) on May 12, 2023 or

not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof at which the proxy is to be used, or deliver it to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the time of voting.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a company, by an officer or duly authorized attorney thereof.

**THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE DIRECTORS AND/OR OFFICERS OF THE CORPORATION. EACH SHAREHOLDER HAS THE RIGHT TO APPOINT A PROXYHOLDER OTHER THAN SUCH PERSONS, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND TO ACT FOR SUCH SHAREHOLDER AND ON SUCH SHAREHOLDER'S BEHALF AT THE MEETING. TO EXERCISE SUCH RIGHT, THE NAME OF THE SHAREHOLDER'S APPOINTEE SHOULD BE LEGIBLY PRINTED IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY.**

DATED April 17, 2023.

By Order of the Board of Directors

*"Lyle Whitmarsh"*

Lyle Whitmarsh  
Chairman, President and Chief Executive Officer

## STAMPEDE DRILLING INC.

### MANAGEMENT INFORMATION CIRCULAR

This management information circular (this "Circular") is furnished in connection with the solicitation of proxies by management of Stampede Drilling Inc. (the "Corporation") for use at the annual and special meeting of holders (the "Shareholders") of common shares ("Common Shares") of the Corporation (the "Meeting") to be held in the Western Canadian Place Conference Center, South Tower, 3<sup>rd</sup> Floor, 700 – 9<sup>th</sup> Ave SW, Calgary, Alberta, on Tuesday, May 16, 2023 at 10:00 a.m. (Calgary time) for the purposes set forth in the accompanying notice of the Meeting (the "Notice of Meeting"). References in this Circular to the Meeting include any adjournment thereof. It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited personally by employees of the Corporation by other means, including telephone and electronic means, at nominal cost. The cost of solicitation by management will be borne by the Corporation. The information contained herein is given as of April 17, 2023, unless indicated otherwise.

The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of Common Shares (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "Meeting Materials") to the beneficial owners of such Common Shares. The Corporation will provide, without cost to such persons, upon request to the Corporate Secretary of the Corporation, additional copies of the Meeting Materials required for this purpose.

See "Notice-And-Access" below.

#### Advice to Beneficial Holders of Common Shares

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. Shareholders who do not hold Common Shares in their own name (each, a "Beneficial Shareholder") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares as at the Record Date (as defined herein) 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 then, in almost all cases, those Common Shares will not be registered in the Shareholder's name in the records of the Corporation. Such Common Shares will more likely be registered either: (i) in the name of a nominee such as an intermediary (an "Intermediary") with whom the Beneficial Shareholder deals in respect of the Common Shares (an Intermediary includes, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc., a subsidiary of The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders. Common Shares held by Intermediaries can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for the Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedure and provides its own return instructions (the "Voting Instruction Form") to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the Voting Instruction Form supplied to a Beneficial Shareholder by the Intermediary is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically applies a special sticker to the Voting Instruction Forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the Voting Instruction Forms to Broadridge. Broadridge then tabulates the results of all

instructions received and provides instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form with a Broadridge sticker on it cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting. The Voting Instruction Form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted 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 an Intermediary, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered Shareholder and vote the Common Shares in that capacity. A Beneficial Shareholder who wishes to attend the Meeting and indirectly vote his, her or its Common Shares as proxy holder for the registered Shareholder, should enter his, her or its own name in the blank space on the Voting Instruction Form provided to it and return the same to its Intermediary in accordance with the Voting Instruction Form well in advance of the Meeting. If a Beneficial Shareholder has voted by mail and would like to change its vote, the Beneficial Shareholder should contact its nominee to discuss whether this is possible and what procedures the Beneficial Shareholder should follow.

### **Appointment and Revocation of Proxies**

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation and will represent management of the Corporation at the Meeting. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him, her or it at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed form of proxy at the office of the Corporation's registrar and transfer agent indicated on the enclosed envelope not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment thereof at which the proxy is to be used. A form of proxy should be executed by a Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the form of proxy wishes to confer a discretionary authority with respect to any item of business then the space opposite the item must be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the directions, if any, given in the form of proxy.

A Shareholder who has given a form of proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such form of proxy and may do so:

1. by delivering another properly executed form of proxy bearing a later date and depositing it as described above;
2. by depositing an instrument in writing revoking the form of proxy executed by him, her or it with, or by transmitting by telephonic or electronic means, a revocation bearing a reliable electronic signature to:
  - (a) the Corporation at Suite 2600, 700 – 9<sup>th</sup> Avenue SW, South Tower, Calgary, Alberta T2P 3V4 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 form of proxy is to be used; or
  - (b) the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the commencement of the Meeting or any adjournment thereof, as applicable; or
3. in any other manner permitted by law.

Only a registered Shareholder of the Corporation has the right to revoke a form of proxy. A Beneficial Shareholder who wishes to change his, her or its vote must arrange for the Intermediary to revoke the Voting Instruction Form on his, her or its behalf in accordance with the instructions of such Intermediary set out in the Voting Instruction Form.

A revocation of a form of proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Exercise of Discretion by Proxies**

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the Common Shares represented by the proxy shall be voted accordingly. **In the absence of direction, the Common Shares will be voted in favour of each of the matters put before Shareholders by management of the Corporation at the Meeting. The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting (or any adjournments thereof) in such manner as such nominee in his, her or its judgment may determine.** As at the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

### **Notice-And-Access**

The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. The Corporation will not send proxy-related materials directly to non-objecting Beneficial Shareholders and such materials will be delivered to non-objecting Beneficial Shareholders through their Intermediary. The Corporation intends to pay for an Intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at April 14, 2023, 228,589,595 Common Shares and no preferred shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote in respect of each matter to be voted upon at a meeting of Shareholders.

The Corporation has fixed April 11, 2023 as the record date (the "**Record Date**") for the purpose of determining Shareholders entitled to receive the Notice of Meeting and to vote at the Meeting. Shareholders of record at the close of business on the Record Date are entitled to such notice and to vote at the Meeting. A quorum for the transaction of business at the Meeting will be present if not less than two (2) Shareholders representing not less than 5% of the Common Shares are present in person or by proxy.

Persons who are transferees of any Common Shares acquired after the Record Date and who have produced properly endorsed certificates evidencing such ownership or who otherwise establish to the satisfaction of the Corporation ownership thereof and demand, not later than ten (10) days before the Meeting, or such other time as is acceptable to the Corporation, that their names be included in the list of Shareholders, are entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof no person or corporation beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all of the outstanding voting securities of the Corporation.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Financial Statements**

Pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**"), the board of directors (the "**Board**") of the Corporation will place before Shareholders at the Meeting the audited consolidated financial statements of the Corporation for the year ended December 31, 2022 and the auditor's report thereon, accompanying this Circular. Shareholder approval is not required in relation to the audited financial statements.

### Fixing the number of Directors of the Corporation

It is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles and by-laws of the Corporation, be set at eight. There are presently eight directors of the Corporation, each of whom will retire from office at the Meeting. **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR setting the number of directors to be elected at the Meeting at eight.**

### Election of Directors

At the Meeting, Shareholders will be asked to elect eight directors to the Board to hold office until the next annual general meeting or until their successors are elected or appointed. **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of each of the director nominees (each, a "Nominee") whose names are set forth below.** Each Nominee elected will hold office until the close of business of the next annual meeting of Shareholders following their election unless their office is earlier vacated in accordance with the Corporation's by-laws and the ABCA.

The enclosed form of proxy permits Shareholders to vote individually "FOR" or to "WITHHOLD" their vote in respect of each Nominee. The following table and notes thereto provide the names and province and country of residence of each Nominee, all positions and offices in the Corporation held by each of them, the principal occupation or employment of each Nominee for the previous five years, the year in which each was first elected or appointed a director of the Corporation and the number of Common Shares that each such Nominee beneficially owns, controls or directs, directly or indirectly. The information as to Common Shares beneficially owned, controlled or directed, directly or indirectly, is based upon information furnished to the Corporation by the Nominees as of April 17, 2023.

Name, Residence and Position with the Corporation	Present Principal Occupation, Business or Employment for the Previous Five Years	Date Since Served as a Director	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
<b>Lyle Whitmarsh<sup>(1)</sup></b> Alberta, Canada Chairman, President and Chief Executive Officer	President, Chief Executive Officer and a director of Stampede since January 23, 2018; prior thereto, President of the Rig Division of Stampede from August 15, 2017 to January 23, 2018; prior thereto, President of Savanna Energy Services Corp. from June 2017 until August 2017; prior thereto, Chief Executive Officer of Trinidad Drilling Ltd. from 2008 until March 2017	January 23, 2018	4,811,690
<b>Thane Russell<sup>(1)</sup></b> Alberta, Canada Lead Director	President of Absolute Energy Limited, a private engineering, design and manufacturing company, since April 2017; prior thereto, Vice President, Business Development and Technology of Absolute Completion Technologies Ltd. since 2002	June 16, 2015	3,147,326
<b>Murray Hinz<sup>(2)(4)</sup></b> Alberta, Canada Director	Sr VP Finance & Administration of Parvus Therapeutics Inc. since April 2017 and President of Marazul Consulting Inc. since January 2007; prior thereto, Advisor to Senior Executives of CanElson Drilling Inc. from August 2013 to March 2015	April 7, 2021	79,900

Name, Residence and Position with the Corporation	Present Principal Occupation, Business or Employment for the Previous Five Years	Date Since Served as a Director	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
<b>Terrance J. Owen</b> <sup>(3)</sup> Alberta, Canada Director	Chairman of Hammerstone Infrastructure Materials Ltd., a private aggregate material supply company which is part of the Brookfield Asset Management group of companies, since August 2020; prior thereto, Chairman, and Chief Executive Officer of Hammerstone Infrastructure Materials Ltd. since February 2009	September 15, 2011	1,165,179
<b>Diane Brickner CIP, ICD.D</b> <sup>(2)(3)</sup> Alberta, Canada Director	Vice Chairman of Peace Hills Insurance (since 1990), The Alberta Lawyers Indemnity Association (since 2016), and was a Director of the Alberta Treasury Branch from 2019 until May 2021.	May 17, 2022	93,750
<b>Drew Ross</b> <sup>(2)</sup> Alberta, Canada Director	Principal, Ross Financial Advisory, an independent financial advisory firm, since March 2022; prior thereto, Managing Director, Scotiabank Global Markets since 2007.	March 16, 2023	-
<b>Tim A. Beatty</b> <sup>(3)(4)</sup> Alberta, Canada Director	Mr. Beatty has obtained his ICD.D designation and is President & CEO/Director at Aral Resources Ltd. since 2017.	March 16, 2023	-
<b>Kerri Beuk</b> <sup>(4)</sup> Alberta, Canada Director	Founder and Principal of Eleven Street Ventures; prior thereto, Chief Operating Officer PTW Energy Services Ltd. from January 2020 to December 2021, prior thereto Vice President Operations AECOM 2014 to 2019.	March 16, 2023	-

## Notes:

- (1) On February 5, 2023, the Corporation announced the appointment of Mr. Lyle Whitmarsh to the position of Chairman of the Board and Mr. Thane Russell to the position of Lead Director following the resignation of Mr. Elson J. McDougald as a director of the Corporation and Chairman of the Board.
- (2) Member of the Audit Committee. Murray Hinz is the Chair of the Audit Committee.
- (3) Member of the Governance and Compensation Committee. Terrance J. Owen is the Chair of the Governance and Compensation Committee.
- (4) Member of the Environmental, Health and Safety Committee. Tim A. Beatty is the Chair of the Environmental, Health and Safety Committee.



### ***Advance Notice By-law***

The Corporation has adopted an advance notice by-law regarding advance notice of nominations of directors of the Corporation (the "**Advance Notice By-law**"). The Advance Notice By-law provides that advance notice to the Corporation must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a "proposal" made in accordance with the ABCA; or (b) a requisition of a meeting made pursuant to the ABCA.

The Advance Notice By-law fixes a deadline by which Shareholders must submit director nominations to the Corporate Secretary of the Corporation prior to any annual or special meeting of Shareholders and outlines the specific information that a nominating Shareholder must include in the written notice to the Corporate Secretary of the Corporation for an effective nomination to occur. No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-law.

In the case of an annual meeting of Shareholders, notice to the Corporate Secretary of the Corporation must be made not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the 10<sup>th</sup> day following such public announcement. In the case of a special meeting of Shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made.

The Board may, in its sole discretion, waive any requirement of the Advance Notice By-law.

A copy of the Advance Notice By-law is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Corporate Cease Trade Orders or Bankruptcies***

As at the date hereof, no Nominee is, or has been, within ten (10) years of the date hereof, a director or chief executive officer or chief financial officer (or any executive officer, for the purpose of subsection (iii) below) of any company, including the Corporation, that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "**order**"); (ii) after that person ceased to act in that capacity, was the subject of an order that resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer; or (iii) is or has, within ten (10) years before the date of this Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, while that person was acting in that capacity or within a year of that person ceasing to act in that position.

No Nominee has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the Nominee.

### ***Penalties or Sanctions***

No Nominee has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a Nominee.

### **Appointment of Auditors**

It is proposed that PricewaterhouseCoopers LLP, the auditors of the Corporation since inception on January 7, 2011, be appointed as auditors of the Corporation at the Meeting. In order to be passed, the resolution must be approved by a simple majority of the votes cast by Shareholders who vote in respect of such resolution, in person or by proxy, at the Meeting. **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the appointment of PricewaterhouseCoopers LLP as the auditors of the Corporation to hold office until the next annual meeting of Shareholders, at a remuneration to be fixed by the directors.**

### **Approval of Share Consolidation**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass a special resolution authorizing the amendment of the Corporation's articles to consolidate the issued and outstanding Common Shares at such time and on such a basis as the Board may determine, provided that the consolidation not be greater than a 12 to 1 basis (the "**Share Consolidation**").

The Share Consolidation may increase the trading price of the Common Shares, which the Corporation believes may enhance their marketability and may increase the liquidity of the Common Shares if implemented at an appropriate time.

If approved by the Shareholders, the Share Consolidation will only be implemented, if at all, upon a determination by the Board, made at anytime within 12 months following the date of Shareholder approval, that it is in the best interest of the Corporation to effect the Share Consolidation at such time. The Board may, however, determine not to implement the Share Consolidation at any time after the Meeting without further action on the part of, or notice to, the Shareholders.

Prior to making any amendment to effect the Share Consolidation, the Corporation will be required to obtain any and all applicable regulatory and relevant stock exchange approvals.

### ***Principal Effects of the Share Consolidation***

If implemented, the principal effects of the Share Consolidation would include the following:

- (a) the fair market value of each Common Share may increase and will, in part, form the basis upon which further Common Shares or other securities of the Corporation will be issued;
- (b) the number of issued and outstanding Common Shares will be reduced in a manner proportionate to the Share Consolidation ratio selected by the Board. Assuming a Share Consolidation ratio of 1 new Common Share for each 12 existing Common Shares, the current number of issued and outstanding Common Shares would be reduced from 228,589,595 Common Shares to approximately 19,049,132 Common Shares; and
- (c) the exercise prices and the number of Common Shares issuable upon the exercise or deemed exercise of any stock options ("**Options**") of the Corporation will be automatically adjusted based on the Share Consolidation ratio selected by the Board.

As the Corporation currently has an unlimited number of Common Shares authorized for issuance, the Share Consolidation will not have any effect on the number of Common Shares of the Corporation available for issuance.

### ***Risks Associated with the Share Consolidation***

There can be no assurance that the per share market price of the Common Shares following the Share Consolidation will remain higher than the per share market price of the Common shares immediately prior to the Share Consolidation. The marketability and trading liquidity of the Common Shares post-Share Consolidation may not improve. The Share Consolidation may result in some Shareholders owning "odd lots" of less than 500 Common

Shares which may be more difficult for such Shareholders to sell, or which may require greater transaction costs per Common Share to sell.

The implementation of the Share Consolidation is subject to regulatory approval. There can be no assurance that such regulatory approval will be received on a timely basis, or at all.

***No Fractional Common Shares***

No fractional Common Shares will be issued in connection with the Share Consolidation. Where the Share Consolidation would otherwise result in a Shareholder being entitled to a fractional Common Share, the number of Common Shares issued to such Shareholder will be rounded down to the nearest whole number.

***Notice of Share Consolidation and Letter of Transmittal***

If the Share Consolidation is approved by the Shareholders and implemented by the Board, the registered Shareholders will be required to exchange their share certificates representing pre-Share Consolidation Common Shares for new share certificates representing post-Share Consolidation Common Shares. In the event the Share Consolidation is effected, promptly following the effective date, registered Shareholders will receive a letter of transmittal. The letter of transmittal will contain instructions on how to surrender to the transfer agent the share certificate(s) representing the registered Shareholder's pre-Share Consolidation Common Shares. The transfer agent will send to each registered Shareholder who follows the instructions provided in the letter of transmittal, a new share certificate representing the post-Share Consolidation Common Shares to which the registered Shareholder is entitled, rounded down to the nearest whole number.

Until surrendered, each share certificate representing pre-Share Consolidation Common Shares will be deemed for all purposes to represent the number of whole post-Share Consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation. However, until a registered Shareholder has returned their properly completed and duly executed letter of transmittal and surrendered their pre-Share Consolidation share certificate(s), such registered Shareholder will not be entitled to receive any distributions, if any, that may be declared and payable to holders of record following the Share Consolidation.

Any Registered Shareholder whose pre-Share Consolidation share certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that the Corporation and its transfer agent customarily apply in connection with lost, stolen or destroyed certificates.

Beneficial Shareholders holding their Common Shares through an Intermediary should note that such Intermediary may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for the registered Shareholders.

***Special Resolution***

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the approval of the Share Consolidation.** In order to be passed, the ABCA requires that the Share Consolidation must be approved by way of a special resolution of the Shareholders, being a majority of not less than two-thirds (66  $\frac{2}{3}$ %) of the votes cast by Shareholders who vote in respect of such resolution, in person or by proxy, at the Meeting.

The text of the resolution the Shareholders will be asked to consider and, if thought advisable, to pass at the Meeting in respect of the Share Consolidation is set forth below:

**"BE IT HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (1) the Corporation is hereby authorized to file articles of amendment ("**Articles of Amendment**") pursuant to section 173(1)(f) of the *Business Corporations Act* (Alberta) (the "**ABCA**") to consolidate the

issued and outstanding common shares (the "**Common Shares**") of the Corporation on the basis of 1 new Common Share for every 12 existing Common Shares of the Corporation or for such other lesser number of existing Common Shares that the directors, in their sole discretion, determine to be appropriate (the "**Share Consolidation**"), and in the event that the Share Consolidation would otherwise result in a holder of Common Shares holding a fraction of a Common Share, such holder shall not receive any whole new Common Shares for each such fraction, such amendment to become effective at a date in the future to be determined by the directors, when it is considered to be in the best interests of the Corporation to implement the Share Consolidation;

- (2) any director or officer of the Corporation is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be delivered Articles of Amendment to the Registrar under the ABCA to give effect to the Share Consolidation at such time as the directors determine to implement the same;
- (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 is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver all such deeds, documents, instruments and assurances and to do all such acts and things as such person may deem necessary or desirable to give effect to the foregoing."

### **Approval of Option Plan**

The Corporation has a rolling incentive stock option plan (the "**Option Plan**") which provides that a maximum percentage of 10% of the issued and outstanding Common Shares may be reserved for the issuance of Options. Pursuant to the policies of the TSX Venture Exchange (the "**TSXV**"), a rolling stock option plan, such as the Option Plan, requires shareholder approval annually. The Option Plan was last approved by Shareholders at the annual and special meeting of Shareholders held on May 17, 2022.

For a description of the other terms of the Option Plan, see "*Statement of Executive Compensation – Compensation Discussion & Analysis – Components of Compensation – Long-Term Incentives*" and "*Statement of Executive Compensation – Incentive Plan Awards – Option Plan*". The Option Plan is attached as Schedule B to this Circular.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the approval of the Option Plan.** In order to be passed, the resolution must be approved by a simple majority of the votes cast by Shareholders who vote in respect of such resolution, in person or by proxy, at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the following ordinary resolution to approve the Option Plan:

**"BE IT HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:**

- (1) the stock option plan of Stampede Drilling Inc. (the "**Corporation**"), in the form attached as Schedule B to the management information

circular of the Corporation dated April 17, 2023, is hereby authorized and approved; and

- (2) any one director or officer of the Corporation is hereby authorized and directed to execute and deliver all such deeds, documents, instruments and assurances and to do all such acts and things as such person may deem necessary or desirable to give effect to the foregoing."

## General

Management knows of no other matters to come before the Meeting other than the matters referred to in the notice of the Meeting. **HOWEVER, IF ANY OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING THE PROXY.**

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Introduction*

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to the Corporation's Chairman, President and Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and Corporate Secretary, the other most highly compensated executive officer of the Corporation (other than the President and CEO and the CFO and Corporate Secretary) whose individual total compensation was more than \$150,000 for any financial year (collectively the "Named Executive Officers" or "NEOs") and the directors of the Corporation. As at December 31, 2022, the Corporation's NEOs consisted of: (i) Lyle Whitmarsh – Chairman, President and CEO; (ii) Jeff Schab – CFO and Corporate Secretary; and (iii) Terry Kuiper – Chief Operating Officer, Canada ("COO").

#### *Governance and Compensation Committee*

In order to assist the Board in fulfilling its oversight responsibilities regarding human resource and compensation matters, the Board has established the Governance and Compensation Committee, whose mandate includes the review and setting of executive officer compensation. The Governance and Compensation Committee is currently comprised of three directors, Terrance J. Owen (Chair), Diane Brickner and Tim A. Beatty, all of whom are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

The Board recognizes the importance of appointing knowledgeable and experienced individuals to the Governance and Compensation Committee and, in particular, those who have the necessary background in executive officer compensation and risk management in order to fulfill the Governance and Compensation Committee's obligations to the Board. All current members of the Governance and Compensation Committee bring strong business and industry knowledge to the committee and have gained experience in human resources and compensation matters by serving in senior leadership roles and/or as directors of other private and public companies.

The purpose of the Governance and Compensation Committee is to: (i) assist the Board in the discharge of its duties to ensure compliance with the Code of Business Conduct and Ethics (the "Code") and other governance policies of the Corporation; (ii) recommend, review and approve corporate goals and objectives relevant to CEO and director performance and evaluate performance to determine compensation; (iii) make recommendations to the Board regarding compensation including incentive and equity-based compensation plans; and (iv) review director and executive officer compensation disclosure prior to its public disclosure. Without limiting the generality of the foregoing, the Governance and Compensation Committee has the following duties:

## ***Compensation***

### *Officer Compensation*

- (a) review and recommend for approval annual compensation and benefit packages in respect of the senior officers of the Corporation;
- (b) review and recommend for approval any and all bonuses to the senior officers of the Corporation;
- (c) review and recommend for approval any written employment agreements in respect of the senior officers of the Corporation;
- (d) review and recommend for approval any corporate performance measures (targets) used to calculate awards under any compensation plan in respect of the senior officers of the Corporation;

### *Equity Incentive Plans*

- (a) review and recommend for approval the terms of equity incentive plans for employees and directors and any amendments thereto;
- (b) review and recommend for approval the form of agreements in respect of the grant of any equity incentive plan entitlements to senior officers, employees and directors;
- (c) review and recommend for approval annual and other periodic awards from time to time under the equity incentive plans for senior officers, directors and employees;

### *Director Compensation*

- (a) from time to time, review and make recommendations as to the adequacy and form of directors' compensation provided by the Corporation to ensure it reflects the responsibilities and risks of membership on the Board and participation on committees of the Board;

### *Performance Assessment*

- (a) ensure objectives are in place against which performance of the senior officers of the Corporation can be measured and assessed;
- (b) in conjunction with the Lead Director of the Board, review annually with the President and Chief Executive Officer of the Corporation, the performance of the President and Chief Executive Officer;
- (c) review annually with the President and Chief Executive Officer of the Corporation, the performance of the other senior officers of the Corporation;

### *Compensation Disclosure*

- (a) review and recommend for approval disclosure provided in publicly circulated documents, including the Corporation's annual proxy circular, in respect of compensation of the senior officers and directors of the Corporation and its subsidiaries;

### *Human Resources*

- (a) ensure the Corporation has in place programs to train and develop its staff and provide for the orderly succession of management and the Board;
- (b) review and make recommendations to the Board on issues that arise in relation to any compensation matters as required;

***Corporate Governance***

- (a) annually, review the Board's operating guidelines and their fulfillment;
- (b) review and make recommendations in respect of reports prepared by management required or recommended on corporate governance issues (e.g. public reports to meet regulatory guidelines);
- (c) receive and review management reports on corporate governance developments relevant to the Corporation;
- (d) review security holder proposals received by the Corporation and as required, assess the merits of such proposals and develop and recommend the Board's and/or Corporation's response;
- (e) annually, review the frequency and timing of Board and committee meetings and the quality, timeliness and sufficiency of information provided to the Board by management;
- (f) at least annually, appraise the standards of corporate governance of the Corporation in comparison to the "best practices" of peer issuers and make recommendations with respect to the further development of the standards of the Corporation in such respect;
- (g) consider and, if deemed appropriate, approve any proposals by any one or more of the members of the Board to engage outside advisors on behalf of:
  - (i) the Board, as a whole;
  - (ii) any committee of the Board;
  - (iii) the independent directors as a group; or
  - (iv) any single director;
- (h) as required, review concerns of individual directors about matters that are not readily or easily discussed at full Board meetings, thereby ensuring the Board can operate independently of management and effectively as a group;

***Constitution of the Board and Nominations to the Board***

- (a) assess, establish and develop a process for identifying, recruiting, appointing, re-appointing and providing ongoing development of members of the Board;
- (b) annually, assess the size, structure and composition of the Board taking into consideration the current strengths, skills and experience on the Board, current time demands on directors, proposed retirements, and the requirements and strategic direction of the Corporation;
- (c) as required, develop and approve director eligibility criteria;
- (d) as required, recommend a suitable candidate for the appointment to the office of Chair of the Board;
- (e) as required, recommend suitable candidates to the Board for consideration as members of the Board;

***Board Member and Chair Evaluation***

- (a) annually, in conjunction with the Chair of the Board, assess individual director performance and the evaluation of the performance of the Board as a whole, including their processes and effectiveness;
- (b) annually, evaluate the performance of the Chair of the Board;

- (c) annually, evaluate the performance of the committees of the Board;

*Board Education*

- (a) review and provide ongoing guidance to management to ensure that an appropriate orientation and continuing education program for individual members of the Board, the Board as a whole and newly recruited members of the Board is established and maintained;
- (b) monitor changes to applicable laws, regulations, rules and industry practices in regard to corporate governance and ensure that the Board is kept informed of relevant aspects thereof;

*Board Committee Mandates*

- (a) annually, assess and make recommendations as to the size, structure and composition (including independence and other qualifications) of each of the committees of the Board including recommending changes to the addition or elimination of committees of the Board and as to the composition (including the Chair) thereof;
- (b) as required, recommend suitable candidates for appointment to committees of the Board;

*Disclosure*

- (a) periodically, review and make recommendations as to the adequacy, integrity and effectiveness of disclosure policies and procedures implemented by the Corporation to ensure timely and adequate disclosure in accordance with all applicable laws, regulations and rules;

*Board and Senior Officer Risk Management*

- (a) periodically, review and make recommendations as to the adequacy and appropriateness of systems and procedures for the control and minimization of director and senior officer liability having regard to applicable laws, rules and regulations and industry practice;
- (b) periodically, review and make recommendations as to the adequacy and appropriateness of insurance and indemnifications for the benefit of directors and senior officers of the Corporation;

*Conflicts of Interest and Insider Trading*

- (a) periodically, review and make recommendations as to policies and procedures implemented by the Corporation in respect of conflict of interest, insider trading and corporate ethics;
- (b) consider, and if deemed appropriate approve any waiver of the Code;

*Officer Appointments*

- (a) review and recommend for approval appointments of the senior officers of the Corporation; and
- (b) review and recommend for approval termination and severance arrangements in respect of senior officers of the Corporation.

Pursuant to the terms of reference of the Governance and Compensation Committee, meetings of the Governance and Compensation Committee take place regularly in each year on such dates and at such locations as the Chair of the Governance and Compensation Committee shall determine and may also occur at any other time or times on the call of the Chair of the Governance and Compensation Committee or any two of the other members.



### ***Objectives***

The Corporation's overall compensation philosophy is that executive officers should be compensated for performance in their position and for achievement of additional personal and corporate objectives. The main objective of the Corporation's compensation program is to attract, motivate and retain highly qualified and competent executive officers, consistent with general sector practices, while specifically recognizing the size of the Corporation and its stage of development. In arriving at its compensation decisions, the Governance and Compensation Committee considers the long-term interest of the Corporation and its stakeholders, and its current early stage of development. Based on these considerations, compensation is designed, reviewed and adjusted using performance enhancement as the major goal. The Governance and Compensation Committee makes specific recommendations to the Board with respect to compensation paid to its executive officers.

### ***Short Sales, Puts and Calls***

Pursuant to the Corporation's Insider Trading and Reporting Policy, directors, officers and employees of the Corporation shall not knowingly sell, directly or indirectly, a security of the Corporation if they do not own or have not fully paid for the security being sold. In addition, directors, officers and employees of the Corporation shall not, directly or indirectly, buy or sell a put, call or any other derivative security in respect of the securities of the Corporation and shall not have open or standing buy or sell orders for the Corporation's securities with securities dealers or other persons.

### ***Compensation Process***

The President and CEO recommends to the Governance and Compensation Committee the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for the executive officers and management. The Governance and Compensation Committee takes those recommendations into consideration when making the final decisions on compensation for those executive officers, which they then recommend to the Board for approval. Compensation regarding the President and CEO is recommended by the Governance and Compensation Committee and approved by the Board.

The Governance and Compensation Committee strives to find a balance between current and long-term compensation and cash and equity incentive compensation. The Governance and Compensation Committee believes that cash payments primarily reward recent performance and equity incentive rewards encourage ongoing results over a longer period of time and serve as a retention tool.

While the Board and the Governance and Compensation Committee have not put any formal policies in place, they do consider the implications of the risks associated with the Corporation's compensation policies and practices. The Corporation employs a compensation model which ensures that an adequate portion of overall compensation for executive officers is "at risk" and only realized through the performance of the Corporation over both the short-term and long-term. With respect to the longer-term component of executive officer compensation, Option grants are generally subject to vesting and priced at market value at the time of grant and, as a result, the realization of value from Option grants correlates to the long-term performance of the Corporation and is considered to be aligned with the Corporation's business strategy and the creation of Shareholder value.

In establishing the Corporation's executive compensation program, the Governance and Compensation Committee considers the implication of the risks associated with the Corporation's compensation program, including the risk of executive officers taking inappropriate or excessive risks; the risk of inappropriate focus on achieving short-term goals at the expense of long-term returns to Shareholders; and the risk of encouraging aggressive accounting practices. While no program can fully mitigate these risks, the Corporation believes that many of these risks are mitigated by: weighting the Corporation's long-term incentives towards share ownership and vesting the Corporation's long-term incentives over a number of years; establishing a uniform incentive program for all executive officers and employees; avoiding narrowly focused performance goals which may encourage loss of focus on providing long-term Shareholder returns and retaining adequate discretion to ensure that the Governance and Compensation Committee and the Board retain their business judgment in assessing actual performance; and establishing a strong "tone at the top" for accounting, regulatory, environmental and health and safety compliance.

No compensation consultant or advisor has, at any time since the Corporation's most recently completed financial year, been retained to assist the Board or the Governance and Compensation Committee in determining compensation for any of Stampede's directors or executive officers.

### *Components of Compensation*

The annual compensation of each executive officer is determined having regard to such factors as the executive officer's current responsibilities, individual performance during the year, corporate performance during the year, years of service and the Governance and Compensation Committee's assessment of the other factors presented to it by the President and CEO. The Corporation's compensation program has three basic elements: (i) base salary and benefits; (ii) short-term incentives in the form of cash bonuses; and (iii) long-term incentives in the form of Options and an employee share ownership plan (the "ESOP").

The Governance and Compensation Committee does not use formulas in determining the amount and mix of compensation and uses both quantitative and qualitative factors such as reliability in delivering financial and growth targets, a track record of integrity, good judgement, the vision and ability to create further growth and the ability to lead others. In recommending the granting of long-term incentive awards to the Board, the Governance and Compensation Committee takes into consideration, among other things, the number of Options previously granted to each NEO.

### *Base Salary and Benefits*

Base salary is intended to provide Named Executive Officers with basic compensation consistent with the individual's level of responsibility, skills, knowledge and experience; the contribution expected from each individual; and general sector compensation practices for individuals in the applicable position, all with a view to attracting and retaining the Named Executive Officers. In some circumstances, the level of base salary may affect the Corporation's decisions relating to short-term incentives (e.g. cash bonuses) given that, in some cases, bonuses are payable as a percentage of base salary (e.g. if performance criteria are achieved).

The benefits package for executive officers consists of an insurance plan (including benefits for dental, vision, prescription drugs and health), a car allowance or personal use of company owned vehicles and parking, which the Governance and Compensation Committee considers comparable to benefits provided to executive officers of other publicly traded oil and gas service companies. None of the executive officers received perquisites, including property or personal benefits not generally available to all employees that in aggregate were worth \$50,000 or more, or worth 10% or more of their total salary for the financial years ended December 31, 2022, 2021 or 2020.

The Corporation may award short-term incentives to Named Executive Officers from time to time based on their annual performance. Short-term incentive compensation is intended to motivate and incentivize Named Executive Officers to meet certain shorter term personal and corporate objectives, which vary from individual to individual and from year to year. The Governance and Compensation Committee reviews (and approves with any amendments considered appropriate) the recommendations of the President and CEO regarding the Named Executive Officers corporate and individual key accomplishments to be rewarded in a given year. These short-term incentives are intended to ensure that a portion of a Named Executive Officer's compensation correlates with corporate objectives and varies with actual performance in a given year. Generally, the award of short-term incentives is at the discretion of the Board, based upon the recommendations of the Governance and Compensation Committee.

The Corporation's process for awarding short-term incentives to Named Executive Officers varies depending on the circumstances. The President and CEO will, at least annually, present the Governance and Compensation Committee with his review of the performance of the Named Executive Officers (other than the President and CEO) and will make recommendations to the Governance and Compensation Committee regarding possible bonuses to such Named Executive Officers based on the accomplishment of corporate and individual objectives. The Governance and Compensation Committee will then consider and determine whether to recommend such awards to the Board for approval. The Governance and Compensation Committee also independently considers whether awards of short-term incentives should be made to the President and CEO.

During 2022, the Governance and Compensation Committee periodically reviewed individual and corporate performance for the year ended December 31, 2022 and determined that it was appropriate to recommend a cash bonus for the President and CEO, CFO and COO in respect of 2022, which was subsequently approved by the Board.

#### *Long-Term Incentives*

The issuance of Options to NEOs is intended to encourage Common Share ownership and to motivate NEOs to focus on a culture that will result in improving the Corporation's financial performance, the effect of which should lead to increases in the market value of the Common Shares. The Option Plan is discussed further under "*Incentive Plan Awards – Option Plan*" below.

Options are normally awarded by the Board (upon recommendation by the Governance and Compensation Committee) upon the commencement of employment with the Corporation, based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. When determining Options to be allocated to each individual executive officer, a number of factors are considered including the number of outstanding Options held by the executive officer, Options held by the executive officer that have been exercised or that have expired since the last grant to the executive officer, the value of Options held by the executive officer and the total number of available Options for grant.

In order to ensure that Options provide a long-term incentive, since December 2015, all Options granted carry a five year term and are either subject to vesting of one quarter on each of the first, second, third and fourth anniversaries of the date of the grant or one quarter on the day of the grant and one quarter on each of the first, second and third anniversaries of the date of the grant. The Governance and Compensation Committee has the authority to make recommendations, from time to time, regarding the amount of Options to be granted by the Corporation, as well as the grant date(s) and vesting schedules. In the course of fulfilling such responsibility, the Governance and Compensation Committee continuously monitors the number of Options held by the President and CEO and other NEOs, and attempts to keep such holdings in balance whenever significant grants of Options are made.

During the year ended December 31, 2020, no Options were granted to executive officers, directors, employees and consultants. In 2021, the Corporation granted an aggregate of 3,855,000 Options to executive officers, directors and employees. In 2022, the Corporation granted an aggregate of 9,065,000 Options to executive officers, directors and employees and as at the date hereof: (i) the Corporation has 16,018,750 Options outstanding, representing 7% of the issued and outstanding Common Shares; and (ii) there remain 6,323,585 Options available for grant, representing 3% of the issued and outstanding Common Shares, which in aggregate represents 10% of the currently issued and outstanding Common Shares.

For the year ended December 31, 2020, no Options were granted to the Named Executive Officers. In 2021, 1,000,000 Options were granted to the Named Executive Officers. In 2022, 3,880,000 Options were granted to Named Executive Officers.

Pursuant to the ESOP, a long-term incentive plan, the Corporation matches employee contributions used to purchase Common Shares, to a maximum of 5% of each employee's annual salary. The ESOP provides the Board with the authority, exercisable in its sole discretion, to exceed the Corporation's 5% matching limit in certain circumstances. Corporate matching was suspended in 2015 as part of the Corporation's cost reduction program; however, employees of the Corporation continue to be able to contribute to the ESOP. The elements of the program are designed to attract and retain highly qualified people and to align their interests with those of the Shareholders. Participation in the ESOP is voluntary.

## NEO Compensation - Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* ("Form 51-102F6") under National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation for the fiscal years ended December 31, 2022, 2021 and 2020 in respect of the NEOs.

Name and Principal Position	Year	Salary <sup>(1)</sup> (\$)	Share - based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-term Incentive Plans			
Lyle Whitmarsh Chairman, President and CEO	2022	375,000	-	557,629	665,000	-	-	4,950	1,602,579
	2021	340,800	-	61,007	96,706	-	-	-	498,513
	2020	291,000	-	96,020	-	-	-	-	387,020
Jeff Schab CFO and Corporate Secretary	2022	195,000	-	149,492	248,000	-	-	23,453	615,945
	2021	155,887	-	38,325	38,294	-	-	-	232,506
	2020	146,256	-	42,961	-	-	-	-	189,217
Terry Kuiper COO	2022	225,000	-	213,560	308,500	-	-	24,188	771,248
	2021	185,274	-	35,544	62,885	-	-	-	283,703
	2020	174,429	-	59,772	-	-	-	-	234,201

Notes:

- (1) Effective April 1, 2020 all NEOs voluntarily reduced their base salaries by 18% to 38%. In April 2021, the Corporation reinstated the salaries of the CEO, COO and CFO to levels similar to those prior to the 2020 voluntary reductions.
- (2) Amounts represent the grant date fair value of the Options awarded to the NEO, calculated in accordance with the Black-Scholes model, which the Corporation determined to be the most accurate measure of value, using the market price of the Common Shares as at the grant date. The key valuation assumptions used: (i) in 2022 stock price volatility of 119%, range of risk free interest rates of 3.46%, no dividend yield, a forfeiture rate of 15%, and an expected life of five (5) years; (ii) in 2021 stock price volatility of 136% to 138%, range of risk free interest rates of 0.97% to 1.40%, no dividend yield, a forfeiture rate of 10%, and an expected life of five (5) years; and (iii) in 2020 no stock options were granted.
- (3) Represents cash bonuses earned by, and paid to, each NEO.
- (4) Represents vehicle allowances or the dollar value associated with the personal use of company owned vehicles and the employer match portion of the Corporation's RRSP program. None of the NEOs received perquisites, including property or personal benefits not generally available to all employees that in aggregate were worth \$50,000 or more, or worth 10% or more of the NEO's total salary for the financial years ended December 31, 2022, 2021 or 2020.

## Incentive Plan Awards

### Option Plan

Under the Option Plan, the Board may from time to time, in its discretion and in accordance with the requirements of the TSXV, grant Options to directors, officers, employees and consultants of the Corporation. As of the date hereof, Options to purchase an aggregate of 16,018,750 Common Shares are outstanding pursuant to the Option Plan, representing 7% of the issued and outstanding Common Shares, and there remain 6,323,585 Options available for grant, representing 3% of the issued and outstanding Common Shares. The maximum aggregate number of Common Shares issuable pursuant to the exercise of Options granted under the Option Plan from time to time is equal to 10% of the Common Shares issued and outstanding as at the date of an Option grant. The maximum aggregate number of Common Shares that may be reserved under the Option Plan for issuance to any one individual

in any 12 month period cannot exceed 5% of the issued and outstanding number of Common Shares at the time of grant. The maximum aggregate number of Common Shares that may be reserved under the Option Plan for issuance to any one consultant in any 12 month period cannot exceed 2% of the issued and outstanding number of Common Shares at the time of grant. The maximum aggregate number of Common Shares that may be reserved under the Option Plan for issuance to any one person employed to provide investor relations activities in any 12 month period cannot exceed 2% of the issued and outstanding number of Common Shares at the time of grant. The exercise price per Common Share under an Option will be determined by the Board, in its discretion, and may be calculated by taking the closing price of the Common Shares on the TSXV on the trading day immediately preceding the day on which the Option is granted and subtracting, at the discretion of the Board, up to the maximum discount permitted by the TSXV; provided that the exercise price per optioned Common Share cannot be less than \$0.10, being the minimum exercise price allowable under the rules and policies of the TSXV. Options granted under the Option Plan are exercisable over a period not exceeding ten (10) years, subject to earlier cancellation upon the occurrence of certain events set forth in the Option Plan. Neither the Options nor the benefits and rights of any optionee under any Option or under the Option Plan are assignable or otherwise transferable, except in the event of the permanent physical or mental disability or death of the optionee. The grant or existence of an Option does not in any way limit or restrict the right or power of the Corporation to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets. A copy of the Option Plan containing the full provisions of the plan is attached as Schedule B to this Circular.

The Option Plan provides that upon a participant's permanent physical or mental disability or death, such participant's Options may be exercised to purchase the total number of Common Shares not previously purchased by the participant whether or not the rights to purchase some or all of those Common Shares have previously vested in or are exercisable by the participant as of the date of ceasing to be a participant, provided such exercise occurs prior to the earlier of the expiry date of the Options and 90 days after the participant ceases to be a participant due to such permanent physical or mental disability or death. If a participant ceases to be a participant by reason of the participant's office, directorship or employment or services agreement with the Corporation terminating or ending otherwise than by reason of permanent physical or mental disability, death or termination with or without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the participant may exercise the Options not previously exercised by the participant but only to the extent that rights to purchase the Common Shares have vested in and are exercisable by the participant as at the date of such ceasing to be a participant, provided such exercise occurs at any time on or before the earlier of the expiry date of the Options and 21 days after the participant ceases to be a participant due to the termination or ending of the participant's office, directorship or employment or services agreement.

If a participant ceases to be a participant by reason of termination without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the participant may exercise the Options not previously exercised by the participant but only to the extent that rights to purchase the Common Shares have vested in and are exercisable by the participant as at the date of such ceasing to be a participant, provided that such exercise occurs prior to the earlier of the expiry date of the Option or the date that the participant ceases to be a participant. If a participant ceases to be a participant by reason of termination and the participant is entitled to reasonable notice of termination or compensation in lieu thereof then the participant may exercise the Options not previously exercised by the participant but only to the extent that rights to purchase the Common Shares are vested in and are exercisable by the participant on or before the date of such ceasing to be a participant provided that such exercise occurs prior to the earlier of the expiry date of the Options and where the participant is given a reasonable period of notice prior to termination, the date the participant ceases to be a participant or where the participant is paid compensation in lieu of reasonable notice the date that is 21 days after the participant ceases to be a participant.

See also "*Statement of Executive Compensation – Compensation Discussion and Analysis – Components of Compensation – Long-Term Incentives*" and "*Particulars of Matters to be Acted Upon – Approval of Option Plan*".

### NEO Compensation - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to outstanding option-based awards for each of the Named Executive Officers that were outstanding as at December 31, 2022. The Corporation does not have any share-based awards outstanding.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Lyle Whitmarsh	1,000,000	0.18	April 8, 2024	140,000	-	-	-
	450,000	0.21	March 28, 2026	49,500	-	-	-
	2,350,000	0.32	October 6, 2027	-	-	-	-
Jeff Schab	500,000	0.18	April 8, 2024	70,000	-	-	-
	300,000	0.21	March 28, 2026	33,000	-	-	-
	630,000	0.32	October 6, 2027	-	-	-	-
Terry Kuiper	100,000	0.33	May 29, 2023	-	-	-	-
	500,000	0.18	April 8, 2024	70,000	-	-	-
	250,000	0.21	March 28, 2026	27,500	-	-	-
	900,000	0.32	October 6, 2027	-	-	-	-

Notes:

- (1) Options granted are either subject to vesting of one quarter on each of the first, second, third and fourth anniversaries of the date of the grant or one quarter on the day of the grant and one quarter on each of the first, second and third anniversaries of the date of the grant.
- (2) The "in-the-money" amount is based on the difference between the closing market price of the Common Shares on the TSXV on December 30, 2022 of \$0.32, being the last day which the Common Shares traded in 2022, and the exercise price of the Options.

### NEO Compensation - Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth, for each of the Named Executive Officers the value of Option-based awards which vested during the year ended December 31, 2022. The Corporation does not have any share-based awards outstanding.

Name	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Lyle Whitmarsh	47,500	-	-
Jeff Schab	25,625	-	-
Terry Kuiper	27,625	-	-

Notes:

- (1) Calculated based on the difference between the closing market price of the Common Shares on the TSXV on the vesting date and the exercise price of the Options multiplied by the Options vested during the year.

### NEO Termination and Change of Control Benefits

Currently there are no agreements, compensation plans, contracts or arrangements whereby any NEO is entitled to receive payments from the Corporation in the event of the termination of any NEO's employment, resignation, retirement or a change in control of the Corporation.

### Director Compensation

As part of the Corporation's cost cutting initiatives related to the negative market impacts caused by the COVID-19 pandemic and corresponding negative impact to commodity pricing, the Corporation eliminated all cash compensation payable to the Board for the 2020 year. In 2021, the Corporation approved reinstatement of the Board members cash retainers in full starting the second quarter of 2021 with meeting attendance fees being paid in stock options. Following the Corporation's 2022 annual and special meeting of Shareholders, the Board adopted (effective as of May 17, 2022) certain recommendations of the Governance and Compensation Committee regarding director compensation, as set out in the table below. Additionally, the Corporation will reimburse directors for all reasonable expenses incurred in order to attend meetings and an additional \$2,500 annual retainer was implemented for any member of the Board that is a member of two or more Board committees.

In connection with the recent appointment of Lyle Whitmarsh, the Corporation's President and CEO, as Chair of the Board, the Board adopted a further revision regarding director compensation, implementing a \$10,000 annual retainer for the role of Lead Director. Mr. Whitmarsh, does not receive any compensation for his services as a director of the Corporation or his role as Chair of the Board.

	<b>Base Amount</b>
<b>Director</b>	\$35,000 annual retainer
	<b>Additional Amounts</b>
<b>Chair of the Board</b>	\$15,000 annual retainer
<b>Lead Director</b>	\$10,000 annual retainer
<b>Audit Committee Chair</b>	\$5,000 annual retainer
<b>Governance and Compensation Chair</b>	\$5,000 annual retainer
<b>Environmental, Health and Safety Committee Chair</b>	\$2,500 annual retainer

Board members are also eligible to participate in the Option Plan. The number of Options awarded to directors is determined by the Governance and Compensation Committee from time to time. For the year ended December 31, 2020, no Options were granted to the non-executive directors. In 2021, the Corporation granted 725,000 Options to the non-executive directors. In 2022, the Corporation granted 2,485,000 Options to the non-executive directors.

### Director Summary Compensation Table

The following compensation table sets out the total compensation paid to each of the Corporation's directors, other than directors who are also Named Executive Officers, for the year ended December 31, 2022.

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other Compensation (\$)	Total (\$)
Thane Russell	48,313	-	74,746	-	-	-	123,058
Elson McDougald <sup>(3)</sup>	49,875	-	169,662	-	-	-	219,537
Murray Hinz	45,188	-	144,746	-	-	-	189,934
Terrance J. Owen	40,500	-	116,272	-	-	-	156,772
Diane Brickner	23,438	-	84,238	-	-	-	107,675

Notes:

- (1) Mr. Whitmarsh does not receive any compensation for service as a director of the Corporation. Particulars relating to his compensation as President and CEO can be found above under the heading "Statement of Executive Compensation – NEO Compensation – Summary Compensation Table".
- (2) Amounts represent the grant date fair value of the Options awarded to the director, calculated in accordance with the Black-Scholes model, which the Corporation determined to be the most accurate measure of value, using the market price of the Common Shares as at the grant date. The key valuation assumptions used for 2022 were stock price volatility of 119%, risk free interest rates of 3.46%, no dividend yield, a forfeiture rate of 15% and an expected life of five (5) years. The key valuation assumptions used for 2021 were stock price volatility of 136% to 138%, risk free interest rates of .97% to 1.40%, no dividend yield, a forfeiture rate of 10% and an expected life of five (5) years. No stock options were granted in 2020.
- (3) Mr. McDougald ceased to be a director of the Corporation and the Chairman of the Board on February 5, 2023.

### Director Compensation - Outstanding Share-Based and Option-Based Awards

The following table sets forth information with respect to outstanding Option-based awards for each of the Corporation's directors, other than directors who are also Named Executive Officers, that were outstanding as at December 31, 2022. The Corporation does not have any share-based awards outstanding.

Name	Option-Based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date <sup>(1)</sup>	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Thane Russell	200,000	0.18	April 9, 2024	28,000	-	-	-
	195,000	0.21	March 28, 2026	21,450	-	-	-
	315,000	0.32	October 6, 2027	-	-	-	-
Elson McDougald <sup>(3)</sup>	100,000	0.18	April 9, 2024	14,000	-	-	-
	132,500	0.21	March 28, 2026	14,575	-	-	-
	715,000	0.32	October 6, 2027	-	-	-	-
Murray Hinz	100,000	0.21	August 3, 2026	11,000	-	-	-
	610,000	0.32	October 6, 2027	-	-	-	-



Terrance J. Owen	100,000	0.18	April 9, 2024	14,000	-	-	-
	120,000	0.21	March 28, 2026	13,200	-	-	-
	490,000	0.32	October 6, 2027	-	-	-	-
Diane Brickner	355,000	0.32	October 6, 2027	-	-	-	-

Notes:

- (1) Options granted are either subject to vesting of one quarter on each of the first, second, third and fourth anniversaries of the date of the grant or one quarter on the day of the grant and one quarter on each of the first, second and third anniversaries of the date of the grant.
- (2) The "in-the-money" amount is based on the difference between the closing market price of the Common Shares on the TSXV on December 30, 2022 of \$0.32, being the last day which the Common Shares traded in 2022, and the exercise price of the Options.
- (3) Mr. McDougald ceased to be a director of the Corporation and the Chairman of the Board on February 5, 2023.

### Director Compensation - Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth, for each of the Corporation's directors, other than directors who are also Named Executive Officers, the value of Option-based awards which vested during the year ended December 31, 2022. The Corporation does not have any share-based awards outstanding.

Name	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>
Thane Russell	12,125
Elson McDougald	6,938
Murray Hinz	4,500
Terrance J. Owen	6,625
Diane Brickner	-

Notes:

- (1) Calculated based on the difference between the closing market price of the Common Shares on the TSXV on the vesting date and the exercise price of the Options multiplied by the Options vested during the year.

**Directors' and Officers' Liability Insurance and Indemnification** The Corporation maintains directors' and officers' liability insurance (containing industry standard exclusions and deductibles) in order to protect the Corporation and its directors and officers against any legal action which may arise due to alleged wrongful acts on the part of directors and officers of the Corporation. In addition, the Corporation, as provided for in the Corporation's by-laws, has entered into indemnity agreements with each of its directors and executive officers. The Board considers it desirable and in the best interests of the Corporation to enter into these agreements in order to set out the circumstances and manner in which the indemnified party may be indemnified in respect of certain liabilities or expenses which the indemnified party may incur as a result of acting as a director or executive officer of the Corporation.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as at December 31, 2022 with respect to Common Shares that may be issued under the Option Plan, being the sole equity compensation plan of the Corporation.

Plan Category	Number of Common Shares 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 Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	16,210,000	0.27	5,483,321
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	16,210,000	0.27	5,483,321

Note:

- (1) The total dilution from the Option Plan is limited to 10% of the issued and outstanding Common Shares. See "Statement of Executive Compensation – Compensation Discussion & Analysis – Components of Compensation – Long-Term Incentives" and "Statement of Executive Compensation – Incentive Plan Awards – Option Plan" for a summary of the Option Plan.

## STATEMENT OF CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of the Shareholders and contribute to effective and efficient decision making.

The Corporation is required to disclose its corporate governance practices in accordance with NI 58-101, as summarized below.

### **Board**

#### ***Independence of Directors***

An "independent director" generally is one who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgement. The Board, with the assistance of the Corporate Governance and Compensation Committee and counsel to the Corporation, is responsible for determining whether or not each director is "independent". To carry out this determination, all relationships with the Corporation are reviewed. To assist the Board in its determination, all directors provide disclosure of any material interest and business relationships with the Corporation and his or her shareholdings in the Corporation.

The Board is comprised of eight directors, the majority (seven) of whom are considered to be "independent" under NI 58-101, namely Thane Russell, Terrance J. Owen, Murray Hinz, Diane Brickner, Drew Ross, Tim A. Beatty and Kerri Beuk. Lyle Whitmarsh is not "independent" within the meaning of NI 58-101 by virtue of the fact that he is the Chairman, President and CEO of the Corporation. In order to facilitate the exercise of the independent directors' judgement, the Board holds "in camera" sessions for independent members during each Board meeting to facilitate

open and candid discussion among the independent directors. In addition, the independent directors may schedule meetings as they see fit without members of management and non-independent directors present.

### ***Chairman of the Board***

Lyle Whitmarsh, the Corporation's President and CEO, was appointed as the Chairman of the Board (the "**Chairman**") on February 5, 2023. The role of the Chairman (together with the Lead Director) is to provide leadership to the Board, manage the affairs of the Board and ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman presides at each meeting of the Board and is responsible for coordinating with management to ensure that documents are delivered to the directors in sufficient time in advance of Board meetings for a thorough review, that matters are properly presented for the Board's consideration at meetings and that the Board has an appropriate opportunity to discuss issues at each meeting, such that the Board is able to carry out its duties to oversee the management of the business and affairs of the Corporation. The Chairman is responsible for communicating with each Board member, ensuring that each director has the opportunity to be heard, that each director is accountable to the Board and that the Board and each committee is discharging its duties.

### ***Lead Director***

The Corporation recognizes the importance of independent leadership on the Board. As a result of the Chairman being a non-independent director, the Corporation appointed Thane Russell, an independent director, as Lead Director on February 5, 2023. The role of the Lead Director is to, among other things, provide a source of leadership for the Board, complementary to that of the Chairman, but independent of management of the Corporation. The Lead Director is responsible for providing advice to the Chairman concerning the preparation of the agenda for each meeting of the Board, organizing the Board to function independently of management and arranging for the independent directors to meet without non-independent directors and management present. In addition to assisting the Chairman with the matters described under "*Chairman of the Board*" above, the Lead Director is responsible for chairing meetings of independent Board members and acting as liaison between the independent directors and the Chairman and management of the Corporation.

### ***Directorships***

No director of the Corporation also serves as a director of another reporting issuer.

### ***Orientation and Continuing Education***

The Board currently has a limited orientation and education program for new directors due to the fact that changes in directorships to date have been limited. The process currently includes discussions with the Chairman and senior management with respect to the business and operations of the Corporation as well as the Corporation's strategic plan. Any new Board members will be provided with, among other things, copies of: (i) current year business plan and budget; (ii) all continuous disclosure filings for the current year; and (iii) all corporate policies including the Code and Whistleblower and Complaints Policy. All new directors are encouraged to review all previous minutes of meetings of the Board and the Shareholders. In addition, directors are encouraged to visit the Corporation's facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Corporation.

### ***Ethical Business Conduct***

In addition to laws that apply to the Board generally, the Board's responsibilities are governed by the Corporation's articles and by-laws, the terms of reference for each of the Board committees and the ABCA. The Board is responsible for oversight and implementation of the Corporation's policies, including the Code. A copy of the Code is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Nomination of Directors***

The Board has constituted a Governance and Compensation Committee which is responsible for periodically reviewing the composition and the criteria regarding the composition of the Board and its committees. The Governance and Compensation Committee's mandate is to assist the Board in the discharge of its duties with respect to ensuring compliance with the corporate governance policies of the Corporation. The Governance and Compensation Committee assesses the Corporation's approach to corporate governance and monitors the Corporation's structures and procedures to ensure that the Board is able to, and in fact does, function independently of management. In addition, it has the responsibility for identifying and reviewing new candidates to join the Board and recommending nominees for election as directors. The Governance and Compensation Committee is required to consider candidates' independence, experience, skills and available time to devote to the duties of the Board in making recommendations for nomination to the Board. The Governance and Compensation Committee reviews the composition and size of the Board and tenure of directors in advance of annual meetings when directors are most commonly elected by the Shareholders, as well as when individual directors indicate that their terms may end or that their status may change.

### ***Compensation***

For information concerning the steps taken to determine compensation for the directors and Named Executive Officers of the Corporation, see "*Statement of Executive Compensation*" in this Circular.

### ***Other Board Committees***

In addition to the Audit Committee and the Governance and Compensation Committee, the Corporation has established the Environmental, Health and Safety Committee. The Environmental, Health and Safety Committee is comprised of three (3) independent directors, Mr. Beatty (Chair), Mr. Hinz and Mrs. Beuk.

The Environmental, Health and Safety Committee is responsible for various matters relating to health, safety and environment ("**HS&E**") of the Corporation, including:

- reviewing and providing oversight of the Corporation's policies, procedures, practices and training programs related to HS&E with the overarching goal of establishing the Corporation as the leader in the land based contract drilling industry in terms of HS&E performance;
- reviewing HS&E risks with management and recommending appropriate programs and procedures to reduce those risks, with a particular emphasis on effective training programs;
- considering the adequacy of operating policies and standards of performance that are designed to meet or exceed regulatory requirements and industry standards for HS&E;
- reviewing with management the methods of communicating HS&E policies, procedures and practices, including training of employees to fulfill the Corporation's HS&E mandate;
- considering, with management, the adequacy of loss prevention measures and emergency response plans and recovery programs, including implementation and routine testing of the plans;
- requiring management to regularly monitor and report on the Corporation's HS&E performance to ensure that the Corporation is in compliance with environmental laws and legislation, and applicable laws and policies as they relate to the health and safety of the Corporation's employees in the workplace;
- reviewing reports and providing oversight of HS&E incidents, emerging issues, inspections or audits, and corrective actions taken in response to any corresponding deficiencies. To facilitate this, all employee injury incidents are immediately reported by management to the Environmental, Health and Safety Committee with a description of management's actions to date to address the situation and management's intentions to fully resolve the incident;
- monitoring current, pending or threatened legal action by or against the Corporation related to HS&E;
- periodically considering insurable risks related to HS&E, and making corresponding recommendations to the Board as deemed appropriate; and
- reviewing significant external or internal audit or consultants' reports relating to environmental, health or safety matters.

## Assessments

During the year ended December 31, 2022 the Board implemented a periodic written questionnaire to be distributed to each Board member to assess the effectiveness of the Board, its committees and the effectiveness and contributions of individual directors. Following the completion of the questionnaire in 2022, the Corporation is satisfied that the Board, each committee thereof, and each individual director, are performing effectively and the Corporation has not identified any problematic areas inhibiting the effectiveness or performance of any of the foregoing.

In order to augment the already strong depth and breadth of skills possessed by Stampede's directors, and to provide additional members for the Board committees to account for Stampede's continued rapid growth and expansion, the Governance and Compensation Committee undertook a formal director recruitment process, which resulted in the appointment of three new directors effective March 16, 2023, being, Drew Ross, Tim A. Beatty and Kerri Beuk. For additional information about each of the foregoing directors see "*Particulars of Matters to be Acted Upon – Election of Directors*" above.

## THE AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Corporation to disclose annually in its information circular certain information concerning the constitution of the Audit Committee and its relationship with its independent auditor, as set forth below.

The Corporation is relying on Section 6.1 of NI 52-110, as a "venture issuer", with respect to the exemption from Part 5 (Reporting Obligations) of NI 52-110. The Audit Committee is governed by the Audit Committee Charter, established in accordance with NI 52-110, a copy of which is set out in Schedule A to this Circular.

### Composition of the Audit Committee

The Audit Committee is currently comprised of Mr. Hinz (Chair), Mrs. Bickner and Mr. Ross. All members of the Audit Committee are independent within the meaning of NI 52-110.

### Relevant Education and Experience of Audit Committee Members

NI 52-110 provides that a member of the Audit Committee is considered to be "financially literate" if they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexities of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

All of the members of the Audit Committee are considered to be "financially literate", as that term is defined in NI 52-110.

### *Murray Hinz – Chair*

Mr. Hinz is a Chartered Accountant with over 25 years of experience as a senior executive and providing business financial advisory services. Mr. Hinz is currently the Sr VP Finance & Administration of Parvus Therapeutics Inc. ("**Parvus**"). Before joining Parvus, Mr. Hinz was the first Chief Financial Officer of CanElson Drilling Inc. ("**CanElson**") prior to becoming an Advisor to their Senior Executive team, providing finance, business development, risk management and corporate governance support. Mr. Hinz helped grow CanElson organically and through acquisitions from 1 to over 1,000 employees providing contract drilling rig services to customers in Canada, United States and Mexico.

***Diane Brickner, CIP, ICD.D***

Mrs. Brickner has her Chartered Insurance Professional designation from the Insurance Institute and her ICD.D from the Institute of Corporate Directors. Mrs. Brickner is currently a corporate director at Peace Hills Insurance (since 1990) and is currently the Vice Chairman and the Alberta Lawyers Indemnity Association (since 2016). Mrs. Brickner was a Director of the Alberta Treasury Branch from 2019 until May 2021. Mrs. Brickner has served on several publicly traded companies including CanElson in 2014, as well as various privately owned and not for profit boards. Mrs. Brickner joined Peace Hills Insurance in 1981 and became the CEO in 1990, growing the company from 3 employees to over 200. Over the course of her career, she successfully oversaw the expansion of Peace Hills Insurance to all Provinces and Territories west of Ontario. Mrs. Brickner has been recognized by several organizations including the Senate (150th Anniversary medal), the Edmonton YWCA (Women of Distinction in Business) and the Alberta Venture (Person of the Year 2013).

***Drew Ross***

Mr. Ross has over 27 years of investment banking experience primarily focused in the Canadian and international energy sector. He was a Managing Director of Scotiabank Global Markets, the investment banking division of Scotiabank, from 2007 to 2021, and prior thereto worked at Genuity Capital Markets (2005-2007), Merrill Lynch Canada (2000-2005) and RBC Capital Markets (1994-2000). Before working in investment banking, Mr. Ross was a professional Geophysicist with Chevron Canada Resources from 1987-1992. Mr. Ross holds a Bachelor of Engineering Honours (Geophysics) from Queen's University and a Master of Business Administration from the University of British Columbia.

**Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted a pre-approval policy (the "**Audit Policy**") with respect to the policies and procedures that must be followed for the engagement of audit and non-audit services. Pursuant to NI 52-110, the Audit Committee is responsible for the appointment, compensation and oversight of the work of PricewaterhouseCoopers LLP, the Corporation's independent auditor (the "**Auditor**"). As part of this responsibility, the Audit Committee is required to pre-approve all audit and non-audit services to be performed by the Auditor and to consider whether non-audit related services impair the Auditors independence.

The Audit Committee may delegate to one or more designated member(s) of the Audit Committee the authority to grant pre-approvals of audit and non-audit services to be provided by the Auditor throughout the year. Any decisions made by such a designated member of the Audit Committee must be reported to the Audit Committee at the next meeting of the committee.

The Audit Committee recommends to the Board the appointment of the Auditor to perform the annual external audit of the Corporation's financial statements and additional audit services as required, which services may include, but are not limited to, audit of the Corporation, services associated with the continuous disclosure obligations of the Corporation and consultations regarding financial accounting and reporting standards.

With respect to audit-related and tax-related services, management is required to request pre-approval of such services it reasonably believes will be required by the Corporation for the upcoming financial year. Audit-related services are those assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and include, but are not limited to: (i) due diligence and audit services related to business acquisitions and dispositions; (ii) internal control reviews; and (iii) consultations regarding financial accounting and reporting standards. Tax services include, but are not limited to: (i) tax planning and advice; (ii) the preparation and review of tax returns; and (iii) international tax planning.

All services to be provided by the Auditor are reviewed by the CFO, who determines whether such services are included within the accepted list of services for which pre-approval must be requested under the Audit Policy. Prior to the beginning of each financial year, the CFO delivers to the Audit Committee the documents reasonably required or requested to determine the services to be performed by the Auditor. At each regularly scheduled Audit Committee meeting, the Audit Committee reviews a report summarizing the services provided by the Auditor and the related fees, a listing of newly pre-approved services since the last regularly scheduled meeting and an updated analysis for the current financial year of the estimated annual fees to be paid to the Auditor.

### Audit Fees

The following chart summarizes the aggregate fees billed by the Auditor for professional services rendered to the Corporation during the financial periods ended December 31, 2022 and December 31, 2021 for audit and non-audit related services:

Fee	December 31, 2022 (\$)	December 31, 2021 (\$)
Audit Fees <sup>(1)</sup>	177,500	130,000
Audit-Related Fees <sup>(2)</sup>	62,000	15,000
Tax Fees <sup>(3)</sup>	-	-
All Other Fees <sup>(4)</sup>	-	-
<b>Total</b>	<b>239,500</b>	<b>145,000</b>

Notes:

- (1) "Audit Fees" means the aggregate fees billed for audit services.
- (2) "Audit-Related Fees" means the aggregate fees billed for assurance and related services by the Auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under Note 1 above.
- (3) "Tax Fees" include the aggregate fees paid to the Auditor for tax compliance, tax advice, tax planning and advisory services, including preparation of tax returns.
- (4) "All Other Fees" include the aggregate fees billed for products and services provided by the Auditor, other than the services reported under Notes 1, 2 and 3 above.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is or has been a director or executive officer of the Corporation at any time since the beginning of the year ended December 31, 2022, nor any proposed Nominee, nor any associate or affiliate of any of the foregoing, is or was indebted to (i) the Corporation, or (ii) another entity, where such indebtedness is or was 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, in either case at any time since the beginning of the year ended December 31, 2022.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, no Nominee and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the approval of the Option Plan, except as disclosed in this Circular.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed herein, there were no material interests, direct or indirect, of directors or executive officers of the Corporation, any proposed director of the Corporation, any securityholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **OTHER MATTERS**

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy will be voted on such matter in accordance with the best judgment of the person voting the form of proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under its profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's audited comparative financial statements and related management discussion and analysis (the "**MD&A**") for the year ended December 31, 2022. Copies of the Corporation's financial statements and MD&A are available through SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained upon request to the Corporation at:

Stampede Drilling Inc.  
 Suite 2600, 700 – 9<sup>th</sup> Ave SW  
 Calgary, Alberta, T2P 3V7  
 Attention: Jeff Schab  
**Tel:** (587) 233-0798  
**Fax:** (403) 984-5097  
**E-mail:** [jeffschab@stampededrilling.com](mailto:jeffschab@stampededrilling.com)

## **FORWARD-LOOKING INFORMATION**

This Circular contains forward-looking statements or forward-looking information (collectively, "forward-looking information") that is based on the Corporation's current expectations, estimates, projections and assumptions in light of its experience and perception of historic trends. This forward-looking information includes statements about, the Share Consolidation, including the anticipated effects and benefits thereof to the Corporation; the Corporation's compensation program and objectives; and corporate governance strategies. Forward-looking information involves known and unknown risks and actual results may differ materially from those expressed or implied by the forward-looking information. Please see "Forward-Looking Information" in the MD&A for more information about the assumptions and risks involved in the forward-looking information. The forward-looking information contained herein is made only as of the date of this Circular. The Corporation does not undertake any obligation to publicly update or revise the forward-looking information contained in this document, except as required by law. The forward-looking information contained in this Circular is expressly qualified by this cautionary statement.



## SCHEDULE A

### STAMPEDE DRILLING INC.

#### AUDIT COMMITTEE CHARTER

##### 1. Purpose and Scope

The audit committee (the "**Committee**") of Stampede Drilling Inc. (the "**Corporation**") is a committee of the board of directors of the Corporation (the "**Board**"). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

The Committee's mandate is to assist the Board in fulfilling its responsibilities with respect to:

- (a) the integrity, preparation and disclosure of the financial statements and other financial disclosures and related matters;
- (b) the external auditors' qualifications, independence and performance;
- (c) ensuring the transparency, credibility and objectivity of financial reporting;
- (d) enhancing communication between management, the external auditors and the Board; and
- (e) reviewing policies with respect to financial risk management, including an assessment of internal controls.

##### 2. Membership

###### *Number of Members*

The Committee shall be composed of three or more members of the Board. The Board may fill vacancies on the Committee by appointment, and if and whenever a vacancy shall exist in the Committee, the remaining members may exercise all of its powers so long as a quorum remains in office.

###### *Independence and Financial Literacy of Members*

Each member of the Committee shall be "independent", as such term is defined in National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time. At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

In addition, at all times, at least one member of the Committee shall have professional experience as a certified public accountant, chief financial officer or corporate controller of similar experience, or demonstrably meaningful experience overseeing such functions as a senior executive officer.

###### *Limitation of Committee's Role*

While the Committee has the responsibilities and powers set forth in its Charter, it is not the duty of the Committee to prepare financial statements, plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditor.

The Committee, the Chair of the Committee and any Committee members identified as having accounting or related financial expertise are members of the Board of Directors, appointed to the Committee to provide broad oversight of

the financial, risk and control-related activities of the Corporation, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities.

Although the designation of a Committee member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed on such person as a member of the Committee and Board of Directors in the absence of such designation. Rather, the role of a Committee member who is identified as having accounting or related financial expertise, like the role of all Committee members, is to oversee the process, not to certify or guarantee the internal or external audit of the Corporation's financial information or public disclosure.

#### ***Term of Members***

The members of the Committee shall be appointed by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

#### ***Audit Committees Commitment Limit***

No member of the Committee shall serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and discloses such determination in the Corporation's management proxy circular.

#### ***Committee Chair***

The Board may appoint one member of the Committee to be the chair of the Committee ("**Committee Chair**"). If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for the purposes of such meeting.

#### ***Delegation***

The Committee may, to the extent permissible by Applicable Requirements (as defined herein), designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

#### ***Access to Information***

The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation.

### **3. Meetings**

#### ***Frequency of Meetings***

The Committee may meet in person or by video or telephone conference call as often as the Committee considers necessary or appropriate to carry out its duties and responsibilities but, at a minimum, will meet at least once per fiscal quarter.

#### ***Quorum***

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee, present in person or by telephonic, electronic or other communication

facilities that permit all persons participating in the meeting to communicate adequately with each other, shall constitute a quorum.

### ***Voting***

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution. In the case of an equality of votes, the Committee Chair shall not be entitled to a second or casting vote.

### ***Calling of Meetings and Meeting Procedure***

Any member of the Committee, the external auditors, the chair of the Board, the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee. The procedures for calling, holding, conducting and adjourning meetings of the Committee will be the same as those applicable to meetings of the Board, unless otherwise determined by the Committee or the Board.

### ***Minutes & Reporting to the Board***

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

### ***Attendance of Non-Members***

The external auditors are entitled to receive notice of, and to attend and be heard at, each Committee meeting at the expense of the Corporation. If so requested by a member of the Committee, the external auditors shall attend every meeting of the Committee held during the term of office of the external auditors. In addition, the Committee may invite to a Committee meeting, any directors, officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

The Committee shall periodically meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the Corporation's external auditor and management, as the Committee deems appropriate.

### ***Meetings without Management***

As part of each meeting of the Committee, the Committee shall hold an *in camera* session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

## **4. Duties and Responsibilities**

The Committee shall have the duties and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board which the Board is authorized to delegate by applicable laws and regulations. In addition to these duties and responsibilities, the Committee shall perform the functions required of an audit committee by the Corporation's governing statute, applicable Canadian securities laws, any exchange upon which securities of the Corporation are listed, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

## ***Financial Reports***

### **(a) General**

The Committee is responsible for overseeing the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the financial reporting policies used by the Corporation. The external auditors are responsible for auditing the Corporation's annual financial statements and, if applicable, for reviewing the Corporation's unaudited interim financial statements.

### **(b) Review of Annual Financial Reports**

The Committee shall review the annual audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and results of operation ("MD&A") and annual earnings press release. After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements, the related MD&A and annual earnings press release for Board approval and public distribution.

### **(c) Review of Interim Financial Reports**

The Committee shall review the interim financial statements of the Corporation, the auditors' review report thereon, if any, and the related MD&A and interim earnings press release. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements, the related MD&A and interim earnings press release for Board approval and public distribution.

### **(d) Review Considerations**

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

- (i) meet with management and the external auditors to discuss the financial statements, related MD&A and other financial disclosures;
- (ii) review the disclosures in the financial statements, related MD&A and any earnings press releases before the Corporation publicly discloses such information;
- (iii) review the audit report or, if applicable, the review report prepared by the external auditors;
- (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the Corporation's critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- (vii) review significant recorded and unrecorded audit adjustments;
- (viii) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board;

- (ix) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (x) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- (xi) review with management any significant changes in IFRS, as well as emerging accounting and auditing issues, and their potential effects;
- (xii) review with management matters that may have a material effect on the financial statements;
- (xiii) review any complaints or concerns received through the whistleblower program relating to accounting, financial or internal control matters; and
- (xiv) review any other matters related to the financial statements that are brought forward by the external auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

(e) **Other Financial Disclosures**

The Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Corporation, as well as press releases disclosing, or based upon, financial results of the Corporation.

***External Auditors***

(a) **General**

When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(b) **Nomination and Compensation**

The Committee shall review and, if advisable, recommend for Board approval the external auditors to be nominated and shall approve the compensation of such external auditors. The Committee shall have ultimate authority to approve all audit engagement terms and fees, including the external auditors' audit plan, subject to approval by the Shareholders of the Corporation's selection of the external auditors.

(c) **Resolution of Disagreements**

The Committee shall assess the effectiveness of the working relationship of the Corporation's external auditors with management and resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the Corporation's external auditors, whether or not there is to be a change of auditors, and receive and review all reports prepared by the auditors.

(d) **Discussions with Auditors**

At least annually, the Committee shall discuss with the external auditors such matters as are required by applicable auditing standards to be discussed by the external auditors with the Committee.

**(e) Audit Plan**

At least annually, the Committee shall review a summary of the external auditors' annual audit plan. The Committee shall consider and review with the external auditors any material changes to the scope of the plan.

**(f) Quarterly Review Report**

If applicable, the Committee shall review a report prepared by the external auditors in respect of each of the interim financial statements of the Corporation.

**(g) Requirement for Pre-Approval of Audit and Non-Audit Services**

The Committee shall approve in advance any and all audit services and permitted non-audit services to be provided by the Corporation's external auditors to the Corporation or its subsidiaries that it deems advisable subject to any *de minimis* exemption available under applicable law. The Committee may establish detailed policies and procedures for pre-approval of audit services and permitted non-audit services by the Corporation's external auditor, in accordance with Applicable Requirements and Board approved policies and procedures; provided the procedures and policies are detailed as to the particular service, the Committee is informed of each non-audit service and the procedures do not include the delegation of the Committee's responsibilities to management. The Committee may delegate pre-approval authority to a member of the Committee but the decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

***Internal Controls*****(a) General**

The Committee shall review the Corporation's system of internal controls and, in connection with its review of the Corporation's financial statements, the Committee will also review the process for the Chief Executive Officer and Chief Financial Officer's certification with respect to the financial statements and the Corporation's financial disclosure controls and internal controls over financial reporting, including any material deficiencies or changes in those controls.

**(b) Establishment, Review and Approval**

It is management's responsibility to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and financial disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall consider and review with management and the external auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls; the overall control environment for managing business risks; and accounting, financial and financial disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Corporation's regulators;
- (iv) policies with respect to the Corporation's financial risk management, including a review of the Corporation's major financial and accounting risk exposures, a review of the

Corporation's derivative and hedging policies and contracts and other financial transactions of a material nature; and

- (v) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and financial disclosure controls.

### ***Compliance with Legal and Regulatory Requirements***

The Committee shall review reports from the Corporation's Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Corporation; (b) the effectiveness of the Corporation's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

### **5. Independent Advisors**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and shall have the authority to seek, retain and terminate accountants, legal counsel, consultants or other expert advisors from a source independent of management, at the expense of the Corporation, with notice to either the Chair of the Board or the Chief Executive Officer of the Corporation, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate, from a source independent of management, any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

### **6. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Corporation. While it should be interpreted in the context of the Applicable Requirements, as well as in the context of the Corporation's constating documents, it is not intended to establish any legally binding obligations.

### **7. Continuing Education**

Members of the Committee shall strive to remain current in their knowledge and education relating to finance, audit and risk matters, and shall consider available opportunities to enhance their knowledge of evolving practices in audit and risk governance.

### **8. Charter Review**

The Committee shall review this Charter annually and present any recommended amendments to this Charter to the Corporate Governance and Compensation Committee of the Board, which shall consider any such recommendations as part of its annual review of this Charter and shall present any recommended amendments to this Charter to the Board for approval.

Adopted and Approved by the Board: **March 16, 2023**

## SCHEDULE B

### STAMPEDE DRILLING INC.

#### INCENTIVE STOCK OPTION PLAN

#### 1. INTERPRETATION

In this Plan (including this clause), unless there is something in the subject or context inconsistent therewith, words importing the singular number includes the plural and vice versa, words importing the masculine gender includes the feminine and neuter genders and the expressions following have the following meanings, respectively:

- (a) "**Board**" means the Board of Directors of the Corporation;
- (b) "**Blackout Period**" means a period of time when, pursuant to any policies of the Corporation, an Optionee would be prohibited from exercising, redeeming or settling an Option; provided that, if applicable, such period also satisfies the applicable requirements set out in Section 4.11 of Policy 4.4;
- (c) "**Committee**" means a committee of Directors appointed by the Board as contemplated by Clause 3 hereof;
- (d) "**Common Share**" means a common share in the capital of the Corporation;
- (e) "**Consultant**" has the meaning ascribed thereto in Policy 4.4;
- (f) "**Corporation**" means Stampede Drilling Inc. and any successor or continuing corporation resulting from any form of corporate reorganization;
- (g) "**Discounted Market Price**" has the meaning ascribed thereto in Policy 1.1;
- (h) "**Early Termination Date**" means, in respect of any Option, 5:00 p.m. (Calgary time) on the date that an Option terminates prior to the Normal Expiry Date, as may be extended pursuant to Clause 13 herein;
- (i) "**Exchange**" means the TSX-V or, if at any time the Common Shares are not listed and posted for trading on the TSX-V, shall mean such other stock exchange or trading platform upon which the Common Shares trade and which has been designated by the Board;
- (j) "**Exercise Price**" means the price at which a Common Share may be acquired on exercise of an Option;
- (k) "**Expiry Date**" means the Normal Expiry Date or the Early Termination Date, as the case may be;
- (l) "**Insider**" has the meaning ascribed thereto in Policy 1.1;
- (m) "**Investor Relations Activities**" has the meaning ascribed thereto in Policy 1.1;
- (n) "**Investor Relations Service Provider**" includes any Consultant that performs Investor Relations Activities and any director, officer or employee of the Corporation or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;



- (o) **"Issued Shares"** means, at any time, the number of Common Shares that are then issued and outstanding on a non-diluted basis and, in the discretion of the Exchange, may include a number of securities of the Corporation, other than (a) Security Based Compensation; (b) warrants; and (c) convertible debt, that are convertible into Common Shares;
- (p) **"Management Company Employee"** means an individual employed by a corporation or other entity providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation;
- (q) **"Normal Expiry Date"** means, in respect of any Option, 5:00 p.m. (Calgary time) on the date determined by the Corporation and specified in the particular Option Agreement on which the Option would normally terminate, which date may not be later than ten years after the Option Date, as may be extended pursuant to Clause 13 herein;
- (r) **"Option"** means a right to purchase Common Shares pursuant to the Plan and an Option Agreement;
- (s) **"Option Agreement"** means an agreement entered into between the Corporation and a Participant pursuant to which an Option is granted to a Participant and which contains such provisions not inconsistent with the Plan as the Board or the Committee may determine;
- (t) **"Option Date"** means the date on which an Option is granted by the Corporation to a Participant which for greater certainty is the date on which the grant of the Option is approved by the Board or the Committee, as the case may be;
- (u) **"Optionee"** means a Participant who has entered into an Option Agreement with the Corporation;
- (v) **"Participant"** means, on any date, a person who is at least one of the following:
  - (i) a person who is bona fide regularly employed by the Corporation or one of its subsidiaries on that date;
  - (ii) an officer of the Corporation or one of its subsidiaries on that date;
  - (iii) a director of the Corporation or one of its subsidiaries on that date;
  - (iv) a bona fide consultant or advisor to the Corporation or one of its subsidiaries on that date, which for greater certainty, shall include a Consultant, Investor Relations Service Provider or Management Company Employee; or
  - (v) to a corporation, the shares of which are wholly owned by a person described in subclause (i), (ii), (iii) or (iv);
- (w) **"Person"** has the meaning given to it in the Securities Act;
- (x) **"Plan"** means the Corporation's "Incentive Stock Option Plan" embodied herein, as from time to time amended;
- (y) **"Policy 1.1"** means Policy 1.1 – *Interpretation* of the TSX-V Corporate Finance Manual;
- (z) **"Policy 4.4"** means Policy 4.4 – *Security Based Compensation* of the TSX-V Corporate Finance Manual;
- (aa) **"Securities Act"** means the *Securities Act* (Alberta), as amended;

- (bb) **"Security Based Compensation"** has the meaning ascribed thereto in Policy 4.4;
- (cc) **"Security Based Compensation Plan"** has the meaning ascribed thereto in Policy 4.4; and
- (dd) **"TSX-V"** means the TSX Venture Exchange.

## 2. **PURPOSE OF THE PLAN**

The purpose of the Plan is to develop the interest of Optionees in the growth and development of the Corporation by providing such persons with the incentive and opportunity to acquire an increased proprietary interest in the Corporation and to better enable the Corporation and its subsidiaries to attract and retain persons of desired experience and ability.

## 3. **ADMINISTRATION, PARTICIPANTS AND ALLOTMENTS**

- (a) The Board will administer the Plan. The Board may at any time or from time to time delegate to a Committee the responsibility for administering the Plan or elements thereof. The Board, or the Committee if so empowered, will determine from time to time those Participants to whom Options should be granted, the Normal Expiry Date, the number of Common Shares which should be optioned from time to time to any Participant, the Exercise Price and such other terms and conditions of the Option Agreement, not inconsistent with the Plan, as the Board or the Committee in its discretion may determine. The Board or the Committee may prescribe rules and regulations relating to the Plan and any Options granted hereunder and may approve the form and content and prescribe the use of such forms of applications, directions, powers of attorney, and other documents or instruments, either generally or in specific cases, as may be deemed necessary or advisable, for the grant or issuance of Options under the Plan and for the proper administration and operation of the Plan. The Board or the Committee will review the Plan from time to time with a view to making revisions to it, granting additional Options and, in the case of the Committee, making appropriate recommendations to the Board. Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board or by the Committee constitutes an Option hereunder. An Option granted by the Board or the Committee to a Participant pursuant to the Plan is subject to, and is of no force and effect until, the execution and delivery of, an Option Agreement by both the Corporation and such Participant.
- (b) The Corporation is responsible for all costs of administration of the Plan.
- (c) The implementation of the Plan, the grant or exercise of any Options pursuant to the Plan and, from time to time, the operation and administration of the Plan is subject to receipt by the Corporation of all necessary approvals, advance rulings, exemptions or registrations required or deemed advisable under applicable law or regulatory policy including without limiting the generality of the foregoing, all necessary approvals or registrations required by any and all stock exchanges upon which the Common Shares are listed and posted for trading.
- (d) The Board or the Committee, as the case may be, may at any time and subject to regulatory approvals:
  - (i) discontinue or terminate the Plan; or
  - (ii) amend or revise the terms and conditions of the Plan and any outstanding Options granted under the Plan,

provided that no such action adversely affects any Options previously granted under the Plan or the rights of Optionees in respect of those Options without the prior written consent or agreement of those Optionees. Disinterested shareholder approval shall be obtained for any reduction in the

Exercise Price of an Option, or the extension of the term of an Option, if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

**4. NUMBER OF COMMON SHARES AVAILABLE**

This Plan is a "*rolling up to 10%*" Security Based Compensation Plan, as defined in Policy 4.4, pursuant to which, the number of Common Shares that are issuable pursuant to all Security Based Compensation granted hereunder shall not exceed 10% of the Corporation's issued and outstanding Common Shares as at the date of grant or issuance of any Security Based Compensation under this Plan.

**5. LIMITS FOR INDIVIDUALS**

Unless the Corporation has obtained the disinterested shareholder approval in accordance with Section 5.3 of Policy 4.4 (if applicable), the maximum aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Person may not exceed 5% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to the Person; provided that securities expressly permitted and accepted by the TSX-V for filing under Part 6 of Policy 4.4 shall not be included in calculating this 5% limit.

**6. LIMITS FOR CONSULTANTS**

The maximum aggregate number of Common Shares that are issuable pursuant to all Security Based Compensation granted or issued in any 12-month period to any one Consultant may not exceed 2% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to the Consultant; provided that securities expressly permitted and accepted by the TSX-V for filing under Part 6 of Policy 4.4 shall not be included in calculating this 2% limit.

**7. LIMITS FOR INVESTOR RELATIONS SERVICE PROVIDERS**

- (a) The maximum aggregate number of Common Shares that are issuable pursuant to all Options granted in any 12-month period to all Investor Relations Service Providers in aggregate shall not exceed 2% of the Issued Shares, calculated as at the date of grant of any Option to any such Investor Relations Service Provider.
- (b) Options granted to any Investor Relations Service Provider shall vest in stages over a period of not less than 12 months, such that:
  - (i) no more than 1/4 of the Options vest no sooner than three months after the Options were granted;
  - (ii) no more than another 1/4 of the Options vest no sooner than six months after the Options were granted;
  - (iii) no more than another 1/4 of the Options vest no sooner than nine months after the Options were granted; and
  - (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted.

## 8. LIMITS FOR INSIDERS

Unless the Corporation has obtained the disinterested shareholder approval in accordance with Section 5.3 of Policy 4.4 (if applicable):

- (a) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued to Insiders of the Corporation (as a group) may not exceed 10% of the Issued Shares at any point in time; and
- (b) the maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued in any 12 month period to Insiders of the Corporation (as a group) may not exceed 10% of the Issued Shares, calculated as at the date any Security Based Compensation is granted or issued to any Insider of the Corporation.

## 9. PARTICIPATION VOLUNTARY

Participation in the Plan by a Participant is entirely voluntary and does not affect the Participant's employment or continued retainer by, or other engagement with, the Corporation or its subsidiaries. None of the Plan or any Options granted under the Plan of itself gives any Participant the right to continue to be an employee, officer, director or consultant of the Corporation or any subsidiary thereof. None of the terms and conditions governing the Option are affected by any change in the Optionee's employment by or engagement with the Corporation so long as the Optionee continues to be a Participant.

## 10. CERTAIN TERMS OF OPTION AGREEMENTS

In order to constitute a valid Option granted under this Plan, the Optionee and the Corporation must enter into an Option Agreement in the form acceptable to the Board or the Committee, as the case may be. An Option Agreement may, in respect of any Option, specify a number or percentage of Options that the Participant may exercise in any specified period, year or number of years. In addition, Option Agreements are deemed to contain the following provisions with respect to the exercise of Options under the Plan:

- (a) The minimum number of Options that can be exercised at any one time by an Optionee is 100.
- (b) For Security Based Compensation granted or issued to employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide employee, Consultant or Management Company Employee, as the case may be.
- (c) The Exercise Price shall be determined by the Board and shall be as set forth in the applicable Option Agreement; provided that such price shall not be less than the Discounted Market Price of the Common Shares as provided for in Section 4.8 of Policy 4.4 or such other minimum price as may be required or permitted by the Exchange.
- (d) Each Option terminates on its Normal Expiry Date but subject always to the provisions of subclause 10(e) of this Plan.
- (e) If, after the Option Date and on or before the exercise in full of the Option or the Normal Expiry Date, the Optionee ceases to be a Participant:
  - (i) by reason of the Optionee's permanent physical or mental disability, or death, then such Optionee's Option may be exercised to purchase the total number of Common Shares not previously purchased by the Optionee whether or not the rights to purchase some or all of those Common Shares have previously vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that is 90 days after the

date the Optionee ceases to be a Participant due to such permanent physical or mental disability, or death. Thereafter, the Option and all unexercised rights to acquire Common Shares thereunder cease and expire and are of no further force and effect. For greater certainty but without limiting the generality of the foregoing, if the Optionee is deemed to be an employee of the Corporation pursuant to a medical or disability plan of the Corporation or a subsidiary thereof, the Optionee is deemed to be an employee for the purpose of the Plan and the Option; or

- (ii) by reason of the Optionee's office, directorship or employment or services agreement with the Corporation terminating or ending otherwise than by reason of permanent physical or mental disability, or death or termination with or without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, then such Optionee's Option may be exercised to purchase the total number of Common Shares not previously purchased by the Optionee but only to the extent that rights to purchase Common Shares have vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that is 21 days after the date the Optionee ceases to be a Participant due to the termination or ending of the Participant's office, directorship or employment or services agreement. Thereafter, the Option and all unexercised rights to acquire Common Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect; or
- (iii) by reason of the Optionee's termination without notice or entitlement to a period of notice of such termination or compensation in lieu thereof, the Optionee may exercise the Option to purchase Common Shares not previously purchased by the Optionee but only to the extent that rights to purchase Common Shares have vested in and are exercisable by the Optionee as at the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and the date that the Optionee ceases to be a Participant. Thereafter, the Option and all unexercised rights to acquire Common Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect; or
- (iv) by reason of the Optionee's termination, and the Optionee is entitled to reasonable notice of termination or compensation in lieu thereof, then:
  - (A) the Optionee may exercise the Option to purchase Common Shares not previously purchased by the Optionee but only to the extent that rights to purchase Common Shares have vested in and are exercisable by the Optionee on or before the date of such ceasing to be a Participant, provided that such exercise occurs at any time on or before the earlier of the Normal Expiry Date and:
    - (I) where the Optionee is given a reasonable period of notice prior to termination, the date the Optionee ceases to be a Participant; or
    - (II) where the Optionee is paid compensation in lieu of reasonable notice of termination, the date that is 21 days after the Optionee ceases to be a Participant; and
  - (B) the Optionee is not entitled:
    - (I) to further time to exercise the Option during such reasonable notice period or during such specific notice period; or

- (II) compensation in lieu thereof by way of general damages, or special damages, whether in contract, tort or otherwise.

Thereafter, the Option and all unexercised rights to acquire Common Shares thereunder, whether or not such rights have vested to and in favour of the Optionee, cease and expire and are of no further force and effect.

- (f) With respect to subclause 10(e)(i), the rights under the Option exercisable after the death or disability of the Optionee, as therein specified, may be exercised by the person or persons to whom the Optionee's rights under the applicable Option Agreement pass by will or applicable law or, if no such person has such right, by the deceased or disabled Optionee's legal representatives.
- (g) Any Security Based Compensation granted or issued to any Optionee who is a director, officer, employee, Consultant or Management Company Employee shall expire in accordance with the provisions of this Plan, but in any event, within a reasonable period, not exceeding 12 months, following the date the Optionee ceases to be a Participant under this Plan.
- (h) An Optionee has no rights whatsoever as a shareholder in respect of any of the Options (including, without limitation, voting rights, dividend entitlement, or rights on liquidation) other than in respect of Common Shares in respect of which the Optionee has exercised his Option to purchase thereunder, which the Optionee has actually taken up and paid for, and which have been duly issued to the Optionee and are outstanding as fully paid and non-assessable Common Shares.
- (i) Options may be exercisable for a maximum of 10 years from the date of grant, subject to extension where the expiry date falls within a Blackout Period, as provided for in Clause 13 herein.

## 11. CHANGES IN AUTHORIZED SHARES

In the event:

- (a) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger, arrangement, reorganization, spin-off, recapitalization or otherwise;
- (b) of any issuance, dividend or distribution to all or substantially all the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course;
- (c) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or
- (d) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities;

then in any such case, subject to the prior acceptance of the Exchange (where required):

- (e) the Board, in its sole discretion, may proportionately adjust the number of Common Shares available for Options, the number of Common Shares covered by outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the exercise price per Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees; and

- (f) subject to the prior acceptance of the Exchange (where required), the Board, in its sole discretion, may determine that:
  - (i) all or any part of the unexercised and unvested outstanding Options granted under the Plan vest and are exercisable on a date specified by the Board and the unexercised and unvested portion of such Options are thereupon deemed to have been vested and are exercisable on and after the date so specified in respect of any and all Common Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
  - (ii) such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time, and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

## 12. TAKEOVER BID

Notwithstanding the terms of any Option Agreement and Clause 10 of this Plan:

- (a) where an unsolicited Offer for the Common Shares is made, all unexercised and unvested outstanding Options granted under the Plan vest and become immediately exercisable in respect of any and all Common Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year); or
- (b) where an Offer for the Common Shares (other than an unsolicited Offer) is made, the Board may by resolution and subject to regulatory approval accelerate the unexpired portions of any outstanding Options so that any unexercised and unvested Options granted under the Plan vest and become exercisable on such terms as the Board so determines (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year).

For the purposes hereof, "Offer" means an offer made generally to the holders of the Corporation's voting securities in one or more jurisdictions to acquire, directly or indirectly, voting securities of the Corporation and which is in the nature of a "takeover bid" as defined in the Securities Act and, where the Common Shares are listed and posted for trading on a stock exchange, not exempt from the formal bid requirements of the Securities Act. For the purposes hereof, an "unsolicited Offer" means an Offer in respect of which neither the Board nor management of the Corporation solicited, sought out, or otherwise arranged for the offeror party to make such Offer. Any Option remaining unexercised following the earlier of the withdrawal of such Offer and the expiry of such Offer in accordance with its terms again becomes vested or unvested subject to the original terms of the Option Agreement as if the Offer had not been made.

## 13. BLACKOUT PERIODS

Notwithstanding any other provision of this Plan or applicable Option Agreement to the contrary, if the Expiry Date of an Option would fall within a Blackout Period, the Expiry Date of the Option shall automatically be extended to the date that is 10 business days after the date when such Blackout Period ends, provided that:

- (a) the automatic extension of the Expiry Date of an Option is not to be permitted where the applicable Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities; and
- (b) such automatic extension shall apply to all Optionees under the same terms and conditions.

**14. SALE OF ASSETS OR CHANGE IN CONTROL**

Notwithstanding the terms of any Option Agreement and Clause 10 of this Plan, if:

- (a) the Corporation sells or otherwise disposes of all or substantially of its assets; or
- (b) any person who does not hold more than 20% of the issued and outstanding Common Shares acquires more than 20% of the issued and outstanding Common Shares without the prior consent of the Board, in any way other than by way of takeover bid (which circumstance is addressed in Clause 12 of this Plan),

all unexercised, unvested and outstanding Options granted under the Plan vest and are immediately exercisable in respect of any and all Common Shares for which the Optionee has not exercised the Option (notwithstanding that an Option Agreement states that those Options are exercisable only during a later period or year). The Board, in its discretion, may determine whether such Options may be exercisable for a limited period of time only and, if so, the Board will determine such period of time and such determination or limitation, once made or set, is deemed to be incorporated into the applicable Option Agreement(s).

**15. COMMON SHARES FULLY PAID AND NON-ASSESSABLE**

All Common Shares issued upon the exercise of any Option are to be issued as fully paid and non-assessable Common Shares.

**16. RESTRICTIONS ON ISSUANCE OF COMMON SHARES**

All Security Based Compensation issuable hereunder are subject to any applicable "Resale Restrictions" and the "Exchange Hold Period" (each as defined in Policy 1.1), and shall have affixed thereto any legends required under applicable securities laws and the policies of the Exchange. In addition, the Board may impose such additional restrictions on Common Shares issuable thereunder as the Board may deem advisable or necessary for purposes of compliance with applicable laws or the policies of the Exchange.

**17. ACCOUNTS AND STATEMENTS**

The Corporation will maintain records indicating the number of Options granted to each Optionee and the number of Options exercised under the Plan. Upon written request from an Optionee, the Corporation will furnish to that Optionee a statement indicating the number of Options held on his behalf.

**18. RESTRICTION ON TRANSFER**

The Options granted to an Optionee are personal and non-assignable and non-transferable and any rights in regard thereto cannot be transferred or assigned except upon the death of the Optionee as provided for in the Plan.

**19. INTERPRETATION, AMENDMENT AND DISCONTINUANCE**

Subject to the prior acceptance of the Exchange (where required), the Board may interpret the Plan, prescribe, amend or rescind rules and regulations relating to it, and make all other determinations necessary or advisable for its administration. In the event of a conflict between the terms of the Plan and an Option Agreement, the terms of the Plan prevail. The Board may from time to time alter, suspend or discontinue the Plan provided that such alteration, suspension or discontinuance does not, except as specifically noted in this Plan or the Option Agreement, alter or impair any Option such Optionee may have under any Option Agreement previously executed and delivered by the Corporation and such Optionee. Any amendment to this Plan is subject to receipt of any necessary regulatory approvals and any amendment required by applicable law or regulatory policy to be approved by shareholders does not become effective until so approved. Subject to the foregoing provisions of this Clause, the Board may terminate the Plan at any time



and, upon such termination, any outstanding Option remains exercisable in accordance with its terms as specified herein and in the Option Agreement.

**20. WAIVER**

No waiver by the Corporation of any term of this Plan or any breach thereof by an Optionee is effective or binding on the Corporation unless the same is expressed in writing and any waiver so expressed does not limit or affect its rights with respect to any other or future breach.

**21. NOTICES**

The manner of giving notices to the Corporation or to an Optionee is to be specified in the Option Agreement with such Optionee.

**22. GENERAL**

- (a) This Plan and each Option granted under the Plan are to be governed by and construed in accordance with the laws of the Province of Alberta and any Option Agreement entered into pursuant to the Plan is to be treated in all respects as an Alberta contract.
- (b) Nothing contained herein restricts or limits or is deemed to restrict or limit the rights or powers of the Board in connection with any allotment and issuance of shares in the capital stock of the Corporation which are not reserved for issuance hereunder.
- (c) The Plan and any Option Agreement entered into pursuant hereto enure to the benefit of and are binding upon the Corporation, its successors and assigns. The interest of any Optionee hereunder or under any Option Agreement is non-assignable and non-transferable by the Optionee and, during his lifetime, is vested only in him, but, subject to the terms hereof and of the Option Agreement, enures to the benefit of and is binding upon the legal personal representatives of the Optionee.

**23. SHAREHOLDER APPROVAL AND EFFECTIVE DATE**

Although this Plan is effective as and from the date hereof, each of the Option Agreements in respect of Options granted pursuant to this Plan is to contain a restriction to the effect that, where the Common Shares are listed and posted for trading on a stock exchange, no Common Shares are to be issued pursuant to the exercise of an Option unless and until this Plan is approved by shareholders of the Corporation (such restriction to be removed or deemed hereby to be of no further effect once shareholder approval is obtained).