

## SPUR PETROLEUM LTD.

### Notice of Annual Meeting of Shareholders to be held on Tuesday, September 8, 2020

The annual meeting of the shareholders of Spur Petroleum Ltd. will be held at the offices of Burnet, Duckworth & Palmer LLP, Suite 2400, 525 8<sup>th</sup> Avenue SW, Calgary, Alberta on Tuesday, September 8, 2020 at 11:00 a.m. (Calgary time) to:

1. receive and consider our financial statements for the fiscal period ended December 31, 2019, together with the report of the auditors and the report of the board of directors;
2. fix the number of directors to be elected at the meeting at seven members;
3. elect seven directors;
4. appoint the auditors and authorize the directors to fix their remuneration as such; and
5. transact such other business as may properly be brought before the meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the meeting are set forth in the information circular - proxy statement accompanying this notice.

We intend to hold the meeting in person. However, in view of the COVID-19 pandemic, access to the meeting will be limited to essential personnel and registered shareholders and proxyholders entitled to attend and vote at the meeting. We may also limit attendance to comply with applicable law.

**We encourage shareholders not to attend the meeting in person.** To mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will also hold our meeting in a virtual format, which will be conducted via live audio webcast and which will give all shareholders an opportunity to participate at the meeting online regardless of their geographic location. Shareholders and duly appointed proxyholders will be able to listen to the meeting and ask questions by attending the meeting virtually at <https://meet.loopup.com/6ADzI1N> or by dialling 1-866-667-8813 in Canada or 1-855-633-2040 in the United States. The guest dial-in code: 2051830#

If you intend to attend the meeting virtually, we recommend that you log in to the conference call at least ten (10) minutes before the time of the meeting. Shareholders will be able to log in to the conference call one hour before the time of the meeting.

**Shareholders attending the meeting virtually will not be able to vote their common shares at the meeting.** We encourage all shareholders not to attend the meeting in person, and to vote their common shares prior to the meeting by completing the enclosed instrument of proxy and returning it as soon as possible in the envelope provided for that purpose. A proxy will not be valid unless it is deposited with our transfer agent Odyssey Trust Company, (i) by mail using the enclosed return envelope; (ii) by hand delivery to Odyssey Trust Company at Suite 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 or (iii) by fax at (800) 517-4553. All instructions are listed in the enclosed form of proxy.

Only shareholders of record at the close of business on August 4, 2020 will be entitled to vote at the meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders.

DATED at Calgary, Alberta this 4<sup>th</sup> day of August, 2020.

By order of the Board of Directors,

(signed) "*Clayton H. Woitas*"

Clayton H. Woitas

Chairman

## SPUR PETROLEUM LTD.

Information Circular - Proxy Statement  
for the Annual Meeting to be held on Tuesday, September 8, 2020

### THE MEETING

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**We encourage shareholders not to attend the meeting in person.** To mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will also hold our meeting in a virtual format, which will be conducted via live audio webcast and which will give all shareholders an opportunity to participate at the meeting online regardless of their geographic location. Shareholders and duly appointed proxyholders will be able to listen to the meeting and ask questions by attending the meeting virtually at <https://meet.loopup.com/6ADzI1N> or by dialling 1-866-667-8813 in Canada or 1-855-633-2040 in the United States. The guest dial-in code: 2051830#

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### PROXIES

#### Solicitation of Proxies

This information circular - proxy statement is furnished in connection with the solicitation of proxies for use at our annual meeting of the shareholders of Spur Petroleum Ltd. ("**Spur**" or the "**Corporation**") to be held at 11:00 a.m. (Calgary time) on September 8, 2020, and at any adjournment thereof.

**The persons named (the "Management Designees") in the enclosed instrument of proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the meeting.** Such right may be exercised by inserting in the space provided for that purpose on the instrument of proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the meeting and voting his shares.

A proxy will not be valid unless it is deposited with our transfer agent Odyssey Trust Company, (i) by mail using the enclosed return envelope; (ii) by hand delivery to Odyssey Trust Company at Suite 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4 or (iii) by fax at (800) 517-4553. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 11:00 a.m. (Calgary Time) on

September 4, 2020 or, if the meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the meeting. Late proxies may be accepted or rejected by the Chairman of the meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Odyssey Trust Company at Suite 350 – 300 5th Avenue SW, Calgary, Alberta, T2P 3C4, at any time up to and including the last business day preceding the date of the meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such meeting on the day of the meeting, or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the meeting and voting his shares.

### Persons Making the Solicitation

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual meeting and this information circular - proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, executive officers and employees who will not be remunerated therefor.

### Exercise of Discretion by Proxy

The common shares represented by proxy in favour of management nominees will be voted on any poll at the meeting. Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on any poll in accordance with the specification so made. If you do not provide instructions your shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of annual meeting and with respect to any other matters which may properly be brought before the meeting or any adjournment thereof. At the time of printing this information circular - proxy statement, we know of no such amendment, variation or other matter.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

We are authorized to issue an unlimited number of common shares, an unlimited number of Class B shares, issuable in series (the "**Class B Shares**"), 3,521,549 Class C shares (the "**Class C Shares**") and an unlimited number of preferred shares, issuable in series. As of August 4, 2020, there were 35,481,922 common shares, 2,931,666 Class B Shares, 3,521,000 Class C Shares and no preferred shares issued and outstanding. The Class B Shares and the Class C Shares are not entitled to be voted at the meeting. Holders of common shares are entitled to one vote for each share held.

To the knowledge of our directors and executive officers, as at August 4, 2020, no person or company beneficially owns, directly or indirectly, or who exercises control or direction, over more than 10% of the common shares other than:

Name	Number of Common Shares	Percentage of Voting Rights
Clayton H. Woitas <sup>(1)</sup>	5,063,799	14%

Note:

(1) Includes 961,233 common shares held indirectly by Mr. Woitas and 903,866 common shares owned by Mr. Woitas's spouse.

As at August 4, 2020, our directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control over 14,355,186 common shares or approximately 40% of our issued and outstanding common shares.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Election of Directors

Management is soliciting proxies, in the accompanying form of proxy, for an ordinary resolution in favour of fixing our board of directors at seven members, and in favour of the election as directors of the seven nominees set forth below:

Ian R. Currie Lee A. McIntire Margaret A. McKenzie David P. O'Brien	Ron C. Wigham Clayton H. Woitas Grant A. Zawalsky
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In the event that a vacancy among such nominees occurs because of death or for any reason prior to the meeting, the proxy shall not be voted with respect to such vacancy.

The names and municipalities of residence of all of the persons nominated for election as directors, the approximate number of common shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them, the dates on which they became directors, and their principal occupations, as of August 4, 2020, were as follows:

Name	Principal Occupation	Year became Director	Number of common shares beneficially owned directly or indirectly, or over which control or direction is exercised
Ian R. Currie <sup>(1)(4)</sup> Calgary, Alberta	President and CEO	2017	2,345,547
Lee A. McIntire Denver, Colorado	Independent Businessman	n/a	-
Margaret A. McKenzie <sup>(2)(3)</sup> Calgary, Alberta	Corporate Director	2017	507,332
David P. O'Brien <sup>(4)</sup> Calgary, Alberta	Independent Businessman	2017	602,315
Ron C. Wigham <sup>(2)(6)</sup> Calgary, Alberta	Independent Businessman	2017	1,112,007
Clayton H. Woitas <sup>(4)(5)(7)</sup> Calgary, Alberta	Independent Businessman	2017	5,063,799
Grant A. Zawalsky <sup>(2)(8)</sup> Calgary, Alberta	Managing Partner, Burnet, Duckworth & Palmer LLP	2017	280,790

Notes:

- (1) Includes 14,544 common shares owned by Mr. Currie's spouse.
- (2) Member of our Audit & Technical Committee, which is required under the *Business Corporations Act* (Alberta).
- (3) Includes 106,660 common shares owned by Ms. McKenzie's spouse.
- (4) Member of our Compensation Committee.
- (5) Non-executive Chairman.
- (6) Includes 100,054 common shares owned by Mr. Wigham's spouse.
- (7) Includes 961,233 common shares held indirectly by Mr. Woitas and 903,866 common shares owned by Mr. Woitas's spouse.
- (8) Includes 31,058 common shares owned by Mr. Zawalsky's spouse.

The information as to voting securities beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to us by the nominees.

### **Lee McIntire Biography**

Lee McIntire was CEO of TerraPower LLC, a nuclear innovation company founded by Bill Gates. Previously, Mr. McIntire served as Chairman, CEO and President of CH2M HILL Companies, Ltd. variously from 2006 to 2014. CH2M HILL was a Fortune 500, employee-owned company and a recognized leader in consulting, engineering and program management. Prior to joining CH2M HILL, Mr. McIntire was a Partner and Executive Vice President and served on the Board of Directors of the Bechtel Corporation from 1989 to 2004. He served on the Chairman's Leadership Council and was President of several of Bechtel's multibillion-dollar companies.

Mr. McIntire currently serves on the Boards of Directors of Ovintiv Inc. and McDermott International. He also lends his leadership to a number of organizations around the world as an advisor to the National Academies of Sciences, Engineering and Medicine (Presidents' Circle); National Academy of Construction; and Denver Art Museum. He has served on the Boards of Directors of the Nuclear Energy Institute and TerraPower; the Business Roundtable; World Economic Forum (Governor of Infrastructure and Urban Development Industries); World Business Council on Sustainable Development; National Petroleum Council; Council on Competitiveness; Aspen Institute's Commission on Arctic Climate Change; and BAE Systems (British Aerospace) PLC Board of Directors. Mr. McIntire was a presidential appointee to the U.S.-Brazil CEO Forum and is a recipient of both the Woodrow Wilson Award and the Korbel Award for International Business.

Mr. McIntire holds a Bachelor of Science from the University of Nebraska College of Civil Engineering, and a Master's degree from the Thunderbird School of Global Management in Arizona. He also attended the Executive Management Program at Dartmouth's Tuck School of Business and served as executive-in-residence at the University of California, Davis, Graduate School of Management.

### **Additional Disclosure Relating to Proposed Directors**

None of the proposed directors is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including us), that was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, none of the proposed directors is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Grant Zawalsky and Ms. Margaret McKenzie, each of whom are directors of the Company, were directors of Endurance Energy Ltd. ("**Endurance**"), a corporation engaged in the exploration and production of natural gas. Endurance filed for creditor protection under the Companies Creditors' Arrangement Act on May 30,

2016. Ms. McKenzie resigned as a director of Endurance on March 31, 2016 and Mr. Zawalsky resigned as a director on November 1, 2016.

None of the proposed directors (nor any personal holding company of any of such persons) has been subject to 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Appointment of Auditor**

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of the firm of KPMG LLP, as our auditors, to hold office until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP has been our auditors since our inception.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

Our compensation program is administered by our Compensation Committee (the "**Committee**") of our board of directors. The Committee reviews and recommends annually to our board of directors the remuneration of our executive officers, employees and directors. The following individuals comprise the Committee: David P. O'Brien, Clayton H. Woitas and Ian R. Currie. Each of these directors are independent other than Mr. Currie. The Committee last met on April 9, 2020.

At no time since our most recently completed financial year, has a compensation consultant or advisor been formally retained by us to assist our board of directors or the Committee in determining the compensation of our directors or executive officers.

Our compensation policies are founded on the principal that executive and employee compensation should be consistent with shareholders' interests and therefore our compensation strategy is weighted towards a share ownership compensation strategy. The objectives of the program are to attract and retain a high-quality management and employee team and to motivate performance by aligning a significant portion of compensation to enhancement in shareholder value and to encourage employees to become significant shareholders. Our compensation plan currently consists of the following items: base salary, benefits, bonus and long-term incentives through the issuance of Class B Shares and Class C Shares.

Our Chief Executive Officer is responsible for making recommendations to the Committee with respect to compensation for our executive officers including our Chief Executive Officer. In making such recommendations, the Chief Executive Officer analyzes several factors, including publicly available compensation data for comparable companies, corporate performance and individual executive officer performance. Our Chief Executive Officer then makes a recommendation to the Committee with respect to the various elements of compensation to be awarded to each executive officer.

Upon the receipt of such recommendation the Committee reviews the evaluation and determines whether to accept the recommendation or make any changes. Recommendations for executive compensation, as well as for us as a whole, are then made by the Committee to our board of directors for approval.

### **Equity Compensation Plans**

The issuance of Class B Shares and Class C Shares to our directors, officers, employees and consultants and their permitted nominees is our only form of equity incentive compensation. The following is a summary of the key terms of the Class B Shares and Class C Shares.

### *Class B Shares*

The Class B Shares are issuable from time to time in one or more series. Before any shares of a particular series are issued, our board of directors will fix the number of shares that will form such series and the designation, rights, privileges, restrictions and conditions to be attached to the series of such Class B Shares. The series 1, Class B Shares were issued at a conversion price of \$4.30 per share, the Series 2, Class B Shares were issued at a conversion price of \$7.50 per share, the Series 3, Class B Shares were issued at a conversion price of \$11.50 per share, the Series 4, Class B Shares were issued at a conversion price of \$16.00 per share, the Series 5, Class B Shares were issued at a conversion price of \$18.00 per share, the Series 6, Class B Shares were issued at a conversion price of \$12.00 per share, and the Series 7, Class B Shares were issued at a conversion price of \$12.00 per share. Each series of Class B Shares are substantially similar in all other respects.

Our board of directors has resolved that the aggregate number of issued Class B Shares of all series may not exceed 10% of our issued and outstanding common shares. As of the date hereof, we have created seven series of Class B Shares consisting of a maximum of 2,112,929 Series 1, Class B Shares, 20,000 Series 2, Class B Shares, 160,000 Series 3, Class B Shares, 255,000 Series 4, Class B Shares, 60,000 Series 5, Class B Shares, 470,000 Series 6, Class B Shares and 33,000 Series 7, Class B Shares, of which as of August 4, 2020, there were 2,931,666 Class B Shares, representing 8% of our issued and outstanding shares.

Subject to applicable law, holders of Class B Shares will not be entitled as such to any voting rights or to receive notice of or to attend any meeting of our shareholders and will not be entitled to receive any dividends on the Class B Shares. In addition, holders of Class B Shares will not be entitled, in the event of any liquidity, dissolution or winding-up of us, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs, to any return of capital other than payment of \$0.01 for each Class B Share in preference to the holders of common shares.

The issue price for the Class B Shares is fixed at \$0.01 per Class B Share and the Class B Shares may only be granted to and held by our directors, officers, employees and consultants to us or any subsidiary, or certain of their respective permitted nominees, unless otherwise determined by our board of directors. Except with the consent of our board of directors, Class B Shares will not be transferable other than to permitted nominees.

The Class B Shares will become exercisable as to 1/3 on each of the second, third and fourth anniversaries of the date of issue; provided that if we enter into a definitive agreement for the completion of a Liquidity Event (as defined below), then all Class B Shares will become exercisable, subject to the holder entering into agreements satisfactory to us providing for the conditional conversion of the Class B Shares. In addition, our board of directors has the discretion to accelerate the Expiry Time (as defined below) or shorten the time period within which the Class B Shares will be convertible in connection with a Liquidity Event.

At any time after the Class B Shares have become exercisable, and prior to their Expiry Time, a holder may convert each Class B Share into a common by paying the applicable conversion price (\$4.30 for the Series 1, Class B Share, \$7.50 for the Series 2, Class B Shares, \$11.50 for the Series 3, Class B Shares, \$16.00 for the Series 4, Class B Shares, \$18.00 for the Series 5, Class B Shares, \$12.00 for the Series 6, Class B Shares, and \$12.00 for the Series 7, Class B Shares) (each, the "**Class B Conversion Price**") for each Class B Share so converted.

Upon the occurrence of a Liquidity Event (and immediately prior to the completion of any such transaction for the sole purpose of participating in such transaction), our board of directors may allow a holder of Class B Shares to surrender a Class B Share (that would otherwise be convertible) in exchange for common shares or cash based on the difference between current market price of our common shares and the Class B Conversion Price.

The Expiry Time of the Class B Shares will automatically be extended as a result of blackout periods.

If a holder of Class B Shares, or, in the case of Class B Shares issued to a permitted nominee of a director, officer, employee or consultant of us or any of our subsidiaries, such director, officer, employee or consultant,



ceases to be a director or officer of, or to be employed by or under a contract with us or any of our subsidiaries, and such person does not continue in at least one of such capacities, then (unless otherwise determined by our board of directors): (i) no further Class B Shares will become exercisable after the Date of Departure (as defined below) for such holder; (ii) all Class B Shares held by such holder that have not become exercisable as of the Date of Departure will terminate and be cancelled; and (iii) all Class B Shares which had become exercisable as of the Date of Departure may be converted until the earlier of the Expiry Time and 60 days after the Date of Departure.

After the Expiry Time, all Class B Shares shall be deemed to have been cancelled without consideration.

The Class B Shares and the Class B Conversion Price will be subject to adjustment upon the occurrence of certain corporate events.

### *Class C Shares*

The maximum number of Class C Shares that can be issued is limited to 3,521,549 shares. As of the date hereof, there are 3,521,000 Class C Shares outstanding.

Subject to applicable law, holders of Class C Shares will not be entitled as such to any voting rights or to receive notice of or to attend any meeting of our shareholders and will not be entitled to receive any dividends on the Class C Shares. In addition, holders of Class C Shares will not be entitled, in the event of any liquidity, dissolution or winding-up of us, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs, to any return of capital other than payment of \$0.01 for each Class C Share in preference to the holders of common shares.

The issue price for the Class C Shares is fixed at \$0.01 per Class C Share and the Class C Shares may only be granted to and held by directors, officers, employees and consultants of us or any subsidiary, or certain of their respective permitted nominees, unless otherwise determined by our board of directors. Except with the consent of our board of directors, Class C Shares will not be transferable other than to permitted nominees.

No Class C Shares may be converted into common shares until the occurrence of an event, as determined by our board of directors, in its sole discretion, that is likely to occur and to result in a Liquidity Event (a "**Vesting Event**").

At any time after the Class C Shares have become convertible, and prior to their Expiry Time (as defined below), a holder may convert each Class C Share into a common share by paying the applicable conversion price for each Class C Share so converted. The Class C Shares will be convertible into common shares at the following conversion prices (the "**Class C Conversion Price**") and the required Liquidity Event Value (as defined herein):

<b># of common shares to be issued*</b>	<b>Liquidity Event Value</b>	<b>Conversion Price</b>
1/6 <sup>th</sup>	\$6.45	\$4.30
1/6 <sup>th</sup>	\$8.60	\$4.82
1/6 <sup>th</sup>	\$9.68	\$5.59
1/6 <sup>th</sup>	\$10.75	\$6.24
1/6 <sup>th</sup>	\$11.83	\$6.88
1/6 <sup>th</sup>	\$12.90	\$7.53

\* as a fraction of the original number of Class C Shares held.

The Class C Conversion Price and the Liquidity Event Value set out above will each increase by 8% (compounded) beginning on February 8, 2022 until the date we enter into a definitive agreement for the completion

of a Liquidity Event. If such Liquidity Event does not occur, and such definitive agreement is terminated, then the Class C Conversion Price and the Liquidity Event Value will be deemed to have been escalated throughout the period such definitive agreement was in effect and thereafter in accordance with the foregoing.

Upon the occurrence of a Liquidity Event (and immediately prior to the completion of any such transaction for the sole purpose of participating in such transaction) our board of directors may allow a holder of Class C Shares to surrender a Class C Share (that would otherwise be convertible) in exchange for common shares or cash based on the difference between current market price of our common shares and the Class C Conversion Price.

The Expiry Time of the Class C Shares will automatically be extended as a result of blackout periods.

If a holder of Class C Shares, or, in the case of Class C Shares issued to a permitted nominee of a director, officer, employee or consultant of us or any of our subsidiaries, such director, officer, employee or consultant, ceases to be a director or officer of, or to be employed by or under a contract with, us or any of our subsidiaries, and such person does not continue in at least one of such capacities (in each case, a "**Class C Departure**"), then (unless otherwise determined by our board of directors): (i) no further Class C Shares will become exercisable after the Date of Departure for such holder; (ii) all Class C Shares held by such holder that have not time vested (as set out in the following sentence) as of the Date of Departure will terminate and be cancelled; and (iii) all Class C Shares which had time vested as of the Date of Departure may be converted upon the occurrence of a Vesting Event however, notwithstanding the foregoing, the right to convert such Class C Shares will terminate on the day which is 60 days after the Date of Departure in the event of a termination for cause. In the event of a Class C Departure, the Class C Shares of such holder will become time vested on the Date of Departure as to 1/3 on each of the second, third and fourth anniversaries of the issue date of such Class C Shares.

In addition, if we enter into a definitive agreement for the completion of a Liquidity Event, then all Class C Shares will become convertible, subject to the holder entering into agreements satisfactory to us, providing for the conditional conversion of the Class C Shares. In addition, our board of directors has the discretion to accelerate the Expiry Time or shorten the time period within which the Class C Shares will be convertible in connection with a Liquidity Event.

After the Expiry Time, all Class C Shares shall be deemed to have been cancelled without consideration.

The Class C Shares and the Class C Conversion price are subject to adjustment upon the occurrence of certain corporate events.

The following is a list of the defined terms referenced in the preceding discussion related to the Class B Shares and the Class C Shares:

**"Date of Departure"** means in the case of a holder of Class B Shares or Class C Shares, as the case may be, or, if such holder is a permitted nominee, in the case of a director, officer, employee or consultant from which ownership of the relevant Class B Shares or Class C Shares was derived, the last date that person was actively at work (without reference to any notice or deemed notice period, if any) or serving as a director of us or any of our subsidiaries, as the case may be.

**"Expiry Time"** means the earliest of:

- (i) if any of our common shares are listed and posted for trading on a recognized stock exchange, the expiry term as may be imposed by such recognized stock exchange;
- (ii) 5:00 p.m. (Calgary time) on February 8, 2027; and

- (iii) at the sole discretion of our board of directors, immediately prior to a Liquidity Event, without the consent of holders of Class B Shares and Class C Shares, provided that such holders have been given notice of such determination at least ten business days prior to the occurrence of the Liquidity Event.

**"Liquidity Event"** means:

- (i) the sale or exchange of all or substantially all of our common shares for cash or securities or both;
- (ii) a merger, amalgamation, arrangement or other similar transaction involving us pursuant to which the holders of our common shares receive cash or securities or both and, in the event that holders receive securities, the holders of common shares receive securities which entitle them to cast less than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation;
- (iii) the sale of all or substantially all of our assets followed by a liquidating distribution of cash or securities or both to the holders of our common shares; or
- (iv) our common shares become listed on any stock exchange without any of (i), (ii) or (iii) occurring.

provided that notwithstanding the application of any of the foregoing, a **"Liquidity Event"** will be deemed to not have occurred:

- (v) pursuant to merger, amalgamation, arrangement or other similar transaction involving us where the holders of the outstanding voting shares of us immediately prior to the completion of the merger, amalgamation, arrangement or other similar transaction will hold more than 90% of the outstanding voting shares of the continuing entity upon completion of the reorganization; or
- (vi) if a majority of our board of directors determines that in substance the merger, amalgamation, arrangement or other similar transaction has occurred, or the circumstances are such that a Liquidity Event should be deemed to not have occurred and any such determination will be binding and conclusive for all purposes of the articles.

**"Liquidity Event Value"** means the estimated value of the cash or securities or both legally available for distribution to holders of common shares upon the occurrence of a Liquidity Event per fully-diluted common share, as determined by our board of directors, acting reasonably.

### Summary Compensation Table

The following table sets forth information concerning the aggregate compensation paid to our five highest-paid executive officers for the year ended December 31, 2019.

	Year	Salary and annual incentive plans (\$)	Share-based awards (\$) <sup>(1)</sup>	Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$)
Aggregate of five highest-paid officers	2019	\$1,951,998	\$453,440	Nil	\$46,000	\$2,451,438

Notes:

- (1) Amounts are based on fair values calculated using the Black Scholes pricing model of Class B Shares issued to these officers for the year ended December 31, 2019.
- (2) "Other Compensation" includes parking and RRSP contributions made by us on behalf of the officers.

## Employment Contracts

We have entered into employment contracts with all executive officers, which provide for payments of two years annual salary plus 20% in lieu of benefits in the event of termination, other than for cause (whether voluntary, involuntary or constructive), resignation upon our breach of contract under the employment contract, and a change of control of us and a change in an officer's responsibilities. In addition, vesting of all of the Class B Shares and Class C Shares held by the officers will be accelerated on the occurrence of a Liquidity Event in certain circumstances. For further information see "*Statement of Executive Compensation – Equity Compensation Plans*" above.

## DIRECTORS' COMPENSATION

Our directors are not paid any remuneration in their capacities as such. Directors are reimbursed, however, for miscellaneous out-of-pocket expenses in carrying out their duties as directors and are entitled to receive Class B Shares and Class C Shares. When determining the number of Class B Shares and Class C Shares to be issued to directors or their permitted nominees, consideration will be given to the fact that the directors do not receive any other form of compensation.

### Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2019, information concerning the compensation paid to our directors other than Mr. Currie who is also our Chief Executive Officer.

	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)<sup>(1)</sup></b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Compensation paid to non-management directors	Nil	Nil	Nil	Nil	Nil

Note:

(1) No Class B Shares or Class C Shares were issued to directors for the year ended December 31, 2019.

### Indemnity Agreements for Directors and Executive Officers

We have entered into indemnity agreements with each of our directors and executive officers pursuant to which we have agreed to indemnify such directors and executive officers from liability arising in connection with the performance of their duties. Such indemnity agreements conform to the provisions of the *Business Corporations Act* (Alberta).

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, there were no material interests, direct or indirect, of our insiders, proposed nominees for election as directors, or any associate or affiliate of such insiders or nominees since the beginning of our last fiscal year, or in any proposed transaction, which has affected or would materially affect us.

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

Our management is not aware of any material interest of any director or executive officer or anyone who has held office as such since the beginning of our last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the meeting, save as is disclosed herein.

**OTHER MATTERS**

Our management knows of no amendment, variation or other matter to come before the meeting other than the matters referred to in the notice of annual meeting. However, if any other matter properly comes before the meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

The contents and the sending of this information circular - proxy statement have been approved by our directors.

Dated: August 4, 2020