

**BLACKSTEEL ENERGY INC.**

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

**AND**

**INFORMATION CIRCULAR**

<b>Place of Meeting:</b>	Suite 500, 707 5 <sup>th</sup> Street SW Calgary, Alberta T2P 0Y3
<b>Date of Meeting:</b>	Thursday, February 18, 2021
<b>Meeting Time:</b>	10:00 a.m.

**January 18, 2021**

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**BLACKSTEEL ENERGY INC.**  
**INVITATION TO SHAREHOLDERS**

January 18, 2021

Dear Shareholders,

On behalf of the Board of Directors of Blacksteel Energy Inc. (the “**Corporation**”), I invite you to join us at our annual general and special meeting of shareholders (the “**Meeting**”). The Meeting will be held at Suite 500, 707 5<sup>th</sup> Street SW, Calgary, Alberta T2P 0Y3 on February 18, 2021 at 10:00 a.m. (Mountain Time).

Accompanying this letter is the notice of Meeting and information circular which describes the various items of business that will be conducted at the Meeting. Whether or not you plan to attend, it is important that your common shares are represented and voted at the Meeting. If you do not plan to attend the Meeting, you may vote your common shares by completing the form of proxy, enclosed with this information circular, or the voting instruction form or other authorization form, as applicable.

In view of the current and rapidly evolving COVID-19 outbreak and restrictions on the number of people who may gather indoors and to mitigate potential risks to public health and safety, access to the Meeting will be limited to essential personnel and others entitled to attend the Meeting, subject to capacity and other restrictions. **The Corporation strongly encourages shareholders to vote by proxy in advance of the Meeting and to not attend the Meeting in person.** The Corporation asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novelcoronavirus-infection.html>). Shareholders should not attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Corporation encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, use the dial-in number: 403-768-2231.

If any Shareholder or proxy holder does wish to attend the Meeting in person, they must contact the Corporation by email to [mfurlong@mcleod-law.com](mailto:mfurlong@mcleod-law.com), in order for arrangements to be made that comply with all Provincial and Federal recommendations, directives, regulations and orders related to the COVID-19 pandemic. Shareholders or proxy holders who do not register in advance, will not be permitted entrance to the Meeting. The Corporation cannot guarantee that all registered shareholders or duly appointed proxy holders wishing to attend the Meeting in person will be guaranteed entry.

On behalf of the Board, I would like to express our gratitude for your continued support. We look forward to seeing you at the Meeting.

Sincerely,

(signed) “*Jeffrey Callaway*”

Jeffrey Callaway  
President and CEO

## BLACKSTEEL ENERGY INC.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Blacksteel Energy Inc. (“**Blacksteel**”) will be held at the following time and place:

**Meeting Date and Time:** Thursday, February 18<sup>th</sup>, 2021 at 10:00 a.m. (Mountain Time)

**Where:** Suite 500, 707 5<sup>th</sup> Street SW, Calgary, Alberta T2P 0Y3

The Meeting is being held for the following purposes:

- (a) to receive and consider the audited consolidated financial statements of Blacksteel for the years ended April 30, 2020 and 2019, together with the auditor’s report included therein;
- (b) to fix the number of directors to be elected at the Meeting at three (3);
- (c) to elect directors;
- (d) to appoint Antares Professional Corporation, Chartered Professional Accountants as auditor of Blacksteel and authorize the board of directors of Blacksteel to fix the auditor’s remuneration;
- (e) to consider, and if deemed appropriate, approve an ordinary resolution approving the 2021 Equity Incentive Plan, as more particularly described in the accompanying information circular (the “**Circular**”);
- (f) to consider, and if deemed appropriate, approve a special resolution approving an amendment to Blacksteel’s articles to change the name of Blacksteel from Blacksteel Energy Inc. to “Stargazer Growth Inc.”, as more particularly described in the accompanying Circular;
- (g) to consider, and if deemed appropriate, approve a special resolution approving the sale of all of Blacksteel's Oil and Gas Assets, which are all or substantially all of the assets of the Corporation (the “**Asset Sale**”), in accordance with the *Business Corporations Act* (Alberta) (the “**ABCA**”), as more particularly described in the accompanying Circular;
- (h) to consider, and if deemed appropriate, approve a special resolution authorizing and approving, at the discretion of the board of directors, the filing of Articles of Amendment to consolidate the issued and outstanding Common Shares of Blacksteel on the basis of up to a ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share, as more particularly described in the accompanying Circular;
- (i) to consider, and if deemed appropriate, approve a resolution to consider, excluding votes attached to Common Shares held by promoters, directors, officers or other insiders of the Corporation, to authorize the Corporation to delist the Common Shares from the TSX Venture Exchange in accordance with TSX Venture Exchange Policy 2.9 *Trading Halts, Suspensions and Delisting*, and approval for listing of the Common Shares on the Canadian Securities Exchange, as more particularly described in the accompanying Circular ; and
- (a) to transact such other business as may properly be brought before the Meeting.

The specific details of the matters proposed to be brought before the Meeting are set forth in the Circular accompanying this notice. Only registered Shareholders as at the close of business on January 18, 2021 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting. For additional information, please see also, “*Part I – Voting and Other Information – Who is entitled to Vote?*” of the Circular. If you are unable to attend the Meeting, you are entitled to vote by proxy.

Under Section 191 of the ABCA, registered Shareholders are entitled to exercise rights of dissent in respect of the proposed Asset Sale and, if the Asset Sale is completed, to be paid the fair value of the Shareholder's Common Shares. Shareholders wishing to exercise their dissent rights must send a written objection to the Corporation at Suite 500, 707 5<sup>th</sup> Street SW, Calgary, Alberta T2P 0Y3, at or before the time of the Meeting to be effective. **Failure to strictly comply with the requirements described in Section 191 of the ABCA may result in the loss of any right to dissent. Shareholders should be aware that simply voting against the resolutions to approve the Asset Sale at the Meeting does not constitute the exercise of dissent rights and a Shareholder will lose its right to dissent by voting in favour of the Asset Sale.** Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered Shareholders are entitled to dissent. Accordingly, a beneficial Shareholder of Common Shares that wishes to exercise this right must make arrangements for the Common Shares beneficially owned to be registered in his, her or its name before the time the written objection to the special resolution to approve the Asset Sale is required to be received by the Corporation, or alternatively, make arrangements for the registered holder of his, her or its Common Shares to dissent on his, her or its behalf. See "*Approval of the Asset Sale – Dissent Rights Associated with the Asset Sale*".

Dated at Calgary, Alberta, this 18<sup>th</sup> day of January 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Jeffrey Callaway*"

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Jeffrey Callaway  
President and CEO

**BLACKSTEEL ENERGY INC.**

**INFORMATION CIRCULAR**

**January 18, 2021**

# BLACKSTEEL ENERGY INC.

## INFORMATION CIRCULAR

Information contained in this information circular (the “Circular”) is given as at January 18, 2021 unless stated otherwise.

### COVID-19

In view of the current and rapidly evolving COVID-19 outbreak and restrictions on the number of people who may gather indoors and to mitigate potential risks to public health and safety, access to the Meeting will be limited to essential personnel and others entitled to attend the Meeting, subject to capacity and other restrictions. **The Corporation strongly encourages shareholders to vote by proxy in advance of the Meeting and to not attend the Meeting in person.** The Corporation asks that, in considering whether to attend the Meeting in person, shareholders follow the instructions of the Public Health Agency of Canada (<https://www.canada.ca/en/public-health/services/diseases/2019-novelcoronavirus-infection.html>). Shareholders should not attend the Meeting in person if experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. The Corporation may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak. As always, the Corporation encourages shareholders to vote prior to the Meeting. Shareholders are encouraged to vote on the matters before the Meeting by proxy and to join the Meeting by teleconference. To access the Meeting by teleconference, use the dial-in number: 403-768-2231.

If any Shareholder or proxy holder does wish to attend the Meeting in person, they must contact the Corporation by email to [mfurlong@mcleod-law.com](mailto:mfurlong@mcleod-law.com), in order for arrangements to be made that comply with all Provincial and Federal recommendations, directives, regulations and orders related to the COVID-19 pandemic. Shareholders or proxy holders who do not register in advance, will not be permitted entrance to the Meeting. The Corporation cannot guarantee that all registered shareholders or duly appointed proxy holders wishing to attend the Meeting in person will be guaranteed entry.

## PART I VOTING AND OTHER INFORMATION

### Solicitation of Proxies

This Circular is provided in connection with the solicitation of proxies by or on behalf of the management and the board of directors (the “**Board**”) of Blacksteel Energy Inc. (“**Blacksteel**”, the “**Corporation**”, “**we**”, “**us**” or “**our**”, as applicable) for use at the annual general and special meeting, including any adjournment(s) or postponement(s) thereof, (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”). The Meeting will be held at Suite 500, 707-5<sup>th</sup> Street SW, Calgary, Alberta T2P 0Y3 on Thursday, February 18, 2021 at 10:00 a.m. (Mountain Time), for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders (the “**Notice of Meeting**”) accompanying this Circular.

It is anticipated that this Circular and the accompanying proxy form or voting instruction form, as applicable, will be mailed on or about January 22, 2021 to the Shareholders. We are not using notice and access provisions under applicable securities laws to distribute the Meeting materials to Shareholders.

### *What is the quorum for the Meeting?*

In order for the Meeting to proceed, we must have a quorum. Our by-laws state that two or more shareholders entitled to vote at the meeting of shareholders, present in person or represented by proxy, constitute a quorum for the purpose of a shareholders’ meeting.

***What will be voted on at the Meeting?***

Except for receipt and consideration of our financial statements, Shareholders will be voting on those matters that are described in the accompanying Notice of Meeting. The Notice of Meeting includes all of the matters to be presented at the Meeting that are presently known to management. See also “*Part II – Business of the Meeting*”.

***What are the approval thresholds for the matters that will be voted at the Meeting?***

All of the matters to be voted at the Meeting, other than the Name Change Resolution, Asset Sale Resolution, Consolidation Resolution and Delisting Resolution (all as defined in this Circular), are ordinary resolutions that will require an approval by more than 50% of the votes cast in respect of the resolutions by or on behalf of Shareholders, present in person or represented by proxy at the Meeting.

The Name Change Resolution, Asset Sale Resolution and Consolidation Resolution are special resolutions, which must be passed by a majority of not less than 66 2/3<sup>rd</sup> votes by Shareholders present in person or represented by proxy at the Meeting.

The Delisting Resolution authorizing the Corporation to delist the Common Shares from the TSX Venture Exchange (the “**TSXV**”), requires a simple majority of affirmative votes cast in person or by proxy at the Meeting excluding votes attached to Common Shares held by promoters, directors, officers or other insiders of the Corporation.

***Who is entitled to vote?***

Only registered holders of Common Shares (the “**Registered Shareholders**”) at the close of business on January 18, 2021 (the “**Record Date**”) are entitled to vote at the Meeting, or at any adjournment(s) or postponement(s) thereof. Each Registered Shareholder will have one vote for each Common Share held at the close of business on the Record Date.

If a Registered Shareholder transfers his or her Common Shares after the Record Date and the transferee of such shares, either (i) produces a properly endorsed certificate evidencing such shares or (ii) establishes that he or she owns such shares, and requests within 10 days before the Meeting date that he or she be included in the list of Shareholders, such transferee shall be entitled to vote their Common Shares at the Meeting.

As of January 18, 2021, there were 36,227,416 Common Shares issued and outstanding. To the knowledge of the directors and executive officers of Blacksteel, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the Common Shares of the Corporation.

***Can I vote Common Shares that I acquired after the Record Date (i.e. January 18, 2021)?***

Yes, but subject to certain limitations. For additional information, see “*Who is entitled to vote?*” above.

***How do I vote if I am a Registered Shareholder?***

If you are a Registered Shareholder, there are two ways in which you can vote your Common Shares. You can either vote by proxy or vote in person at the Meeting.

- *Voting in person*

Registered Shareholders who will attend the Meeting and wish to vote their Common Shares in person should not complete the proxy form enclosed with this Circular. Your vote will be taken and counted at the Meeting. Please register with the Corporation’s transfer agent, Odyssey Trust Company, when you arrive at the Meeting.

- *Voting by proxy – General Information*

If you do not plan to attend the Meeting in person, you can have your vote counted by appointing someone who will attend the Meeting as your proxyholder. In the proxy, you can either direct your proxyholder as to how you want your

Common Shares to be voted or let your proxyholder choose for you. You can always revoke your proxy if you decide to attend the Meeting in person.

- *Voting by proxy – Mail, Hand Delivery or Fax*

You can complete and sign the enclosed form of proxy and deliver it to Odyssey Trust Company, either by mail or by hand delivering the same to, Suite 350 –300 5th Avenue S.W., Calgary, Alberta, T2P 3C4. You can also fax your completed form of proxy to 1-(800)-517-4553. **The cut-off time for mailing, hand delivering or faxing your completed proxy form is 10:00 a.m. (Mountain Time) on February 16, 2021.**

#### ***What if I am not a Registered Shareholder?***

Many shareholders are “non-registered shareholders”. Non-registered shareholders are shareholders whose Common Shares are registered in the name of an intermediary (such as a bank, trust company, securities broker, trustee or custodian). Unless you have previously informed your intermediary that you do not wish to receive materials relating to the Meeting, you should receive or have already received from your intermediary either a voting instruction form or other authorization form. The Corporation’s transfer agent, Odyssey Trust Company shall deliver the Meeting materials directly to non-objecting beneficial owners of Blacksteel’s Common Shares in accordance with the procedures established under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Intermediaries have their own mailing procedures and provide their own instructions to shareholders. These procedures may allow you to provide your voting instructions by telephone, on the internet, by mail or by fax. You should carefully follow the directions and instructions received from your intermediary or Odyssey Trust Company, as applicable, to ensure that your Common Shares are voted at the Meeting.

If you wish to vote in person at the Meeting, you should follow the procedure in the directions and instructions provided by or on behalf of your intermediary or Odyssey Trust Company, as applicable. Please register with the Corporation’s transfer agent, Odyssey Trust Company, when you arrive at the Meeting.

#### ***What is a proxy?***

A proxy is a document that authorizes someone else to attend the Meeting and cast your votes for you. Registered Shareholders may use the enclosed form of proxy, or any other valid proxy form, to appoint a proxyholder. The enclosed proxy form authorizes the proxyholder to vote and otherwise act for you at the Meeting, including any continuation of the Meeting after any adjournment(s) or postponement(s) of the Meeting.

If you are a Registered Shareholder and you complete the enclosed proxy form, your Common Shares will be voted as instructed. If you do not mark any boxes, your proxyholder can vote your Common Shares at his or her discretion. For additional information, see “*How do I vote if I am a Registered Shareholder?*” above.

#### ***How do I appoint a proxyholder?***

Your proxyholder is the person you appoint and name on the proxy form to cast your votes for you. **You can choose anyone you want to be your proxyholder. Your proxyholder does not have to be another shareholder. Just fill in the person’s name in the blank space provided on the enclosed proxy form or complete any other valid proxy form and deliver it to Odyssey Trust Company within the time specified below for receipt of proxies.**

If you leave the space on the proxy form blank, either Jeffrey Callaway or Eugene Chen, both of whom are named in the form of proxy, are appointed to act as your proxyholder. Eugene Chen is a Director and Jeffrey Callaway is a Director, Chief Executive Officer and President of the Corporation.

For the proxy to be valid, it must be completed, dated and signed by the Registered Shareholder (or the Registered Shareholder’s attorney as authorized in writing) and then delivered to our transfer agent, Odyssey Trust Company and received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment(s) or postponement(s) thereof. For additional information, see “*How will my Common Shares be voted if*

*I give my proxy?” below.*

***How will my Common Shares be voted if I give my proxy?***

If you have properly filled out, signed and delivered your proxy, then your proxyholder can vote your Common Shares for you at the Meeting. If you have specified on the proxy form how you want to vote on a particular issue (by marking FOR, AGAINST or WITHHOLD, as applicable), then your proxyholder must vote your Common Shares accordingly.

**If you have not specified how to vote on a particular issue, then your proxyholder will vote your Common Shares as he or she sees fit. However, if you have not specified how to vote on a particular issue and Jeffrey Callaway or Eugene Chen, have been appointed as proxyholder, your Common Shares will be voted in FAVOUR of all resolutions proposed by management. For more information on these resolutions, please see “Part II – Business of the Meeting”. The enclosed form of proxy confers discretionary authority upon the proxyholder you name with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and any other matters that may properly come before the Meeting. If any such amendments or variations are proposed to the matters described in the notice, or if any other matters properly come before the Meeting, your proxyholder may vote your Common Shares as he or she considers best.**

***How do I revoke a proxy?***

Only Registered Shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their voting instructions must, in sufficient time in advance of the Meeting, arrange for their intermediaries to change their vote and if necessary revoke their proxy.

If you are a Registered Shareholder and you wish to revoke your proxy after you have delivered it, you can do so at any time before it is used. You or your authorized attorney may revoke a proxy by: (i) clearly stating in writing that you want to revoke your proxy and delivering this revocation by mail to Odyssey Trust Company Suite 350 –300 5th Avenue S.W., Calgary, Alberta, T2P 3C4 or by fax to 1 (800) 517-4553, or by mail to Blacksteel’s registered office, 300, 14505 Bannister Road SE, Calgary, Alberta T2X 3J3, **Attention: Corporate Secretary**, or by email to Blacksteel at [mfurlong@mcleod-law.com](mailto:mfurlong@mcleod-law.com), at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (ii) in any other manner permitted by law.

Revocations may also be hand delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof. Such revocation will have effect only in respect of those matters upon which a vote has not already been cast pursuant to the authority confirmed by the proxy. If you revoke your proxy and do not replace it with another in the manner described in “*How do I appoint a proxyholder?*” above, you will be able to vote your Common Shares in person at the Meeting.

***Who pays for this solicitation of proxies?***

The cost of this solicitation of proxies will be borne by Blacksteel. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone or other means of communication by directors, officers and employees of the Corporation without special compensation.

In addition, Blacksteel may retain the services of agents to solicit proxies on behalf of its management. In that event, we will compensate any such agents for such services, including reimbursement for reasonable out-of-pocket expenses, and will indemnify them in respect of certain liabilities that may be incurred by them in performing their services.

***Who counts the votes?***

Our transfer agent, Odyssey Trust Company will count and tabulate proxies as they are received. This is done independently of the Corporation. Proxies are referred to us only in cases where a Shareholder clearly intends to communicate with management or when it is necessary to do so to meet legal requirements.

***How do I contact the transfer agent?***

If you have any inquiries, you can contact our transfer agent, Odyssey Trust Company, as follows:

Telephone: 1-888-290-1175 (toll free in Canada) during regular business hours or 1-587-885-0960 (direct dial)

Fax: 1 (800) 517-4553

Online: [odysseycontact.com](http://odysseycontact.com)

Mail: Odyssey Trust Company  
Stock Exchange Tower  
1230 – 300 5th Avenue SW  
Calgary AB T2P 3C4  
Canada

**PART II  
BUSINESS OF THE MEETING**

**(a) Receive Financial Statements and Auditor’s Report**

At the Meeting, you as a Shareholder, will be presented with the audited consolidated financial statements of Blacksteel for the years ended April 30, 2020 and 2019. The presentation of the financial statements to you at the Meeting will not constitute a request for approval or disapproval of such financial statements. The financial statements were previously approved by the Board and a copy is available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

**(b) Fixing Number of Directors**

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution fixing the number of directors (the “**Fixing of Directors Resolution**”). We propose that the number of directors of the Corporation to be elected at the Meeting to hold office until the next meeting of Shareholders or until their successors are elected or appointed, subject to the articles and by-laws of Blacksteel, be set at three. Currently, our Board is comprised of three directors. We recommend that you vote for fixing the number of directors to be elected at the Meeting at three (3). In order to become effective, the Fixing of Directors Resolution must be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting or any adjournment(s) or postponement(s) thereof.

The complete text of the Fixing of Directors Resolution which Blacksteel intends to place before the Shareholders at the Meeting for approval, is as follows:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

- (a) the number of directors of Blacksteel Energy Inc. (the “**Corporation**”) be and the same is hereby fixed at three (3); and
- (b) any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution.”

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the Fixing of Directors Resolution.**

(c) **Election of Directors**

Our directors are elected each year at the annual general meeting and hold office until the close of the next annual general meeting or until their successors are elected or appointed in accordance with applicable law. Our articles currently provide for a minimum of 1 director and a maximum of 10 directors. Currently, our Board is comprised of three directors. You are entitled to elect members to the Board by voting at the Meeting.

The following table sets forth the names of each of the persons nominated by management for election as a director (collectively, the “**Director Nominees**”), all positions and offices in Blacksteel presently held by the Director Nominees, their municipality of residence, principal occupation at the present and during the preceding five years, the period during which the Director Nominees have served as a director, and the number and percentage of Common Shares that such individuals have advised are beneficially owned by them, either directly or indirectly, or over which control or direction is exercised, as of the date hereof.

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the election to the Board, the Director Nominees named in the following table.**

Management does not contemplate that any of the individuals named below will be unable to serve as directors; however, if for any reason any of the proposed Director Nominees do not stand for election or are unable to serve as such, proxies held by management will be voted for another nominee in their discretion unless you have specified in your form of proxy that your Common Shares are to be withheld from voting in the election of directors.

<b>Name, Province/State and Country of Residence</b>	<b>Position(s) Held and Director Since</b>	<b>Principal Occupation for the Last Five Years</b>	<b>Common Share Ownership and Percentage (%)</b>
Eugene Chen <sup>(1)</sup> <i>Alberta, Canada</i>	September 6, 2011	Partner at McLeod Law LLP since July 2019, Managing Partner of Optimal Capital Advisors since May 2016 and Principal of Eugene Chen Professional Corporation since February 2008. Partner at Nerland Lindsey LLP from September 2017 to July 2019. Prior thereto, Counsel at McMillan LLP from February 2014 to May 2016.	110,000 (0.30%)
Jeffrey Callaway <sup>(1)</sup> <i>Alberta, Canada</i>	September 11, 2020	CEO, President and Director of High Ground Cannabis since January 2020. CEO, President and Director of Blacksteel Energy since September 2020. Senior Investment Advisor with Canaccord Genuity from 2006 to 2019.	150,914 (0.42%)
Les Treitz <sup>(1)</sup> <i>Alberta, Canada</i>	September 6, 2011	Independent professional consulting geologist to the oil and gas industry.	NIL (0.0%)

**Note:**

(1) Member of audit committee, reserves committee and compensation and governance committee.

As at January 18, 2021, the directors as a group, beneficially owned, directly or indirectly or over which control or

direction is exercised, 260,914 Common Shares which represent 0.72% of the issued and outstanding Common Shares.

*Cease Trade Orders, Bankruptcies, Penalties or Sanctions*

Except as set out below, to the best of the knowledge of management of Blacksteel:

- (a) no person who is a director of Blacksteel is, as at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including Blacksteel) that:
  - (i) was subject to a 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 and that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a 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 and that was issued after such person ceased to be a director, chief executive officer or chief financial officer but resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
- (b) no person who is a director of Blacksteel, or who is a person holding a sufficient number of Blacksteel shares to affect materially the control of Blacksteel:
  - (i) is, as at the date of this information circular, or has been within 10 years before the date of this information circular, a director or executive officer of any company (including Blacksteel) 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; or
  - (ii) has, within the 10 years before the date of this information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or trustee; and
- (c) no person who is a director of Blacksteel, or who is a person holding a sufficient number of Blacksteel shares to affect materially the control of Blacksteel, 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 investor in making an investment decision.

Eugene Chen, Jeffrey Callaway and Les Treitz were all directors of the Corporation when the Alberta Securities Commission (“ASC”), British Columbia Securities Commission (“BCSC”) and the Ontario Securities Commission (“OSC”) issued cease trade orders on October 20, 2020, for failure to file its financial statements within the time frame designated under applicable securities legislation. On December 17, 2020, the ASC and the OSC revoked their cease trade orders and on December 21, 2020, the BCSC revoked its cease trade order.

Eugene Chen was a director of CapGain Properties Inc. when the ASC issued a cease trade order on May 5, 2015, for failure to file its financial statements within the time frame designated under applicable securities legislation. A similar

order had been issued by the BCSC on February 3, 2015. Mr. Chen resigned as a director of CapGain on December 31, 2017. Both of the cease trade orders were revoked on October 9, 2019.

Eugene Chen was a director of Poynt Corporation (“**Poynt**”), a publicly traded technology company involved in the mobile local advertising space. On July 5, 2012, Poynt announced it had filed a Notice of Intention to file a Proposal under the *Bankruptcy and Insolvency Act* (Canada) (“**BIA**”). On October 31, 2012, the Court of Queen’s Bench of Alberta terminated the stay of proceedings against Poynt upon application by Hardie & Kelly, the trustee appointed under the BIA and Poynt was deemed to have made an assignment into bankruptcy. Mr. Chen resigned as a director of Poynt on October 31, 2012.

(d) **Appointment and Remuneration of Auditors**

At the Meeting, Shareholders will be asked to consider an ordinary resolution appointing our auditors to act until the next annual general meeting of Shareholders. We recommend the reappointment of Antares Professional Corporation, Chartered Professional Accountants, as the auditors of Blacksteel to hold office until the termination of the next annual general meeting of Shareholders and that the remuneration to be paid to the auditors be determined by the Board.

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the appointment of Antares Professional Corporation, Chartered Professional Accountants as the auditors of the Corporation and to authorize the Board to determine the remuneration to be paid to the auditors.**

*Special Business at the Meeting*

(e) **Approval of the 2021 Equity Incentive Plan**

The Board has adopted the 2021 Equity Incentive Plan (the “**Plan**”) to replace the previous stock option plan. The Plan allows for the grant of stock options and restricted awards, namely, restricted share units and deferred share units to directors, officers, employees and consultants of the Corporation.

*Summary of the Plan*

The following is a summary of the key features of the Plan and is qualified by, and should be read together, with the full text of the Plan included under Schedule “A” of this Circular.

The maximum number of Common Shares reserved for issuance, in the aggregate, under the Plan and all other security-based compensation arrangements of the Corporation will be 10% of the aggregate number of outstanding Common Shares from time to time (calculated on a non-diluted basis and not including Common Shares issuable pursuant to prior options granted by the Corporation). Additionally, under the terms of the Plan: (i) the aggregate number of Common Shares reserved for issuance to insiders (as a group) at any point in time may not exceed 10% of the Corporation’s issued and outstanding Common Shares; and (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of Common Shares may not exceed 10% of the Corporation’s issued and outstanding Common Shares.

The Plan will be administered by the Board, which may delegate authority over the administration and operation of the Plan to a committee.

The following are certain material terms with respect to stock options:

- each stock option granted under the Plan shall be evidenced by an award agreement;
- no stock option shall be exercisable after ten years from the date it was first granted, or such shorter period as set out in the award agreement;

- the exercise price for stock options shall be fixed by the Board, but under no circumstances will it be less than 100% of the fair market value of the Common Shares as of the date the stock options are granted;
- vesting period for stock options will be as set forth in each award agreement; and
- no term may exceed ten years, subject to earlier termination in the event the holder ceases to be an officer, director, employee or consultant of the Corporation or if the Board determines, in its sole discretion, to accelerate the expiry time in connection with a change of control or specified events as described in the Plan.

The following are certain material terms with respect to the restricted awards, namely, restricted share units and deferred share units:

- each restricted award (as the case may be) granted under the Plan shall be evidenced by an award agreement;
- the vesting periods for each restricted award will be as set forth in the respective award agreement;
- the Corporation shall maintain an RSU Account or DSU Account (as applicable) for each participant;
- deferred share units are only available for grant to the directors of the Corporation; and
- both restricted share units and deferred share units may be settled in Common Share (either issued from treasury or purchased in the open market), cash, or a combination of shares and cash.

with respect to all awards, namely, stock options, restricted share units and deferred share units:

- except as otherwise provided by the Plan, upon the occurrence of a change of control, all outstanding stock options shall become immediately exercisable with respect to 100% of the Common Shares subject to such stock options, and the restricted period applicable to the restricted awards shall expire immediately with respect to 100% of the outstanding restricted awards; and
- awards granted under the Plan are not assignable or transferable, other than for normal estate settlement purposes.

The Board may, in its sole discretion, suspend or terminate the Plan at any time or from time to time and/or amend or revise the terms of the Plan or of any award granted under the Plan and any award agreement relating thereto provided that such suspension, termination, amendment, or revision shall:

- not adversely alter or impair any award previously granted except as permitted by the terms of the Plan;
- be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Canadian Securities Exchange; and
- be subject to shareholder approval, where required by law, the requirements of the Canadian Securities Exchange or the Plan.

As of the date hereof, an aggregate of 830,000 Common Shares, representing approximately 2.3% of the outstanding Common Shares, were issuable pursuant to the stock options granted by the Corporation.

#### *Approval of the Plan*

Shareholders will be asked to consider and if deemed appropriate, to pass the following ordinary resolution (the “**Plan Resolution**”) authorizing and approving the Plan. In order to become effective, the Plan Resolution must be approved by a simple majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting or any adjournment(s) or postponement(s) thereof.

The complete text of the Plan Resolution which Blacksteel intends to place before the Shareholders at the Meeting for approval, is as follows.

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION THAT:**

- (a) the 2021 Equity Incentive Plan (the “**Plan**”) of the Corporation that was previously approved by the board of directors of the Corporation, and described in the information circular of Blacksteel Energy Inc. dated January 18, 2021 be, and the same hereby is, approved as the Plan of the Corporation; and
- (b) any one director or officer of the Corporation is hereby authorized to take all such further action, as any such officer or director may deem necessary, proper, convenient or desirable in order to carry out each of the foregoing resolutions and to effectuate the purposes and intents thereof, and that all actions taken by any such officer or director of the Corporation to date, in connection with the foregoing resolutions, or otherwise, are hereby in all respects confirmed, ratified and approved.”

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the Plan Resolution.**

(f) **Approval of Name Change of the Corporation**

*Background to the Name Change*

Blacksteel wishes to change its name from Blacksteel Energy Inc. to “Stargazer Growth Inc.” Management of the Corporation is of the view that the new proposed name more accurately reflects the business of the Corporation moving forward.

*Approval of the Name Change Resolution*

Shareholders will be asked to consider and if deemed appropriate, to pass the following special resolution (the “**Name Change Resolution**”) authorizing and approving an amendment to the articles of the Corporation, pursuant to Section 173(1)(a) of the *Business Corporations Act* (Alberta) (“**ABCA**”), to change the name of the Corporation from Blacksteel Energy Inc. to “Stargazer Growth Inc.” In order to be approved, the Name Change Resolution requires approval of not less than 66 2/3<sup>rd</sup> of the votes cast by Shareholders, voting in person or by proxy, at the Meeting.

**“BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:**

- (a) the articles of Blacksteel Energy Inc. (the “**Corporation**”) be amended pursuant to Section 173(1)(a) of the *Business Corporations Act* (the “**ABCA**”), to change the name of the Corporation to “Stargazer Growth Inc.”;
- (b) the board of directors of the Corporation may, in their sole discretion, without further approval of or notice to the shareholders of the Corporation decide not to proceed with the name change and otherwise revoke this special resolution at any time prior to the name change being effected; and
- (c) any one director or officer of the Corporation is hereby authorized to take all such further action, as any such officer or director may deem necessary, proper, convenient or desirable in order to carry out each of the foregoing resolutions and to effectuate the purposes and intents thereof, and that all actions taken by any such officer or director of the Corporation to date, in connection with the foregoing resolutions, or otherwise, are hereby in all respects confirmed, ratified and approved.”

If approved by Shareholders, the effective date of the name change will be the date a certificate of amendment is issued by the Registrar of Corporations under the ABCA. The certificate of amendment with respect to the name change is expected to be obtained shortly following the Meeting or as soon as practicable thereafter at the discretion of management.

No other action is required by Shareholders in connection with the proposed name change. We will not be forwarding a letter of transmittal to Shareholders for their use in transmitting certificates representing Common Shares in exchange for new certificates giving effect to the name change. Instead, in the event that the name change is approved by the requisite majority of Shareholders at the Meeting and articles of amendment are subsequently filed to give effect thereto, each existing Common Share certificate reflecting the current name of the Corporation shall continue to be a valid share certificate of Blacksteel until such certificate is transferred, reregistered or otherwise exchanged.

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the Name Change Resolution.**

(g) **Approval of Asset Sale**

*Background to the Asset Sale*

Blacksteel has been engaged with a number of interested parties for the purpose of crystalizing the value of the Girouxville property over the past several months. The capital market environment to raise funds for the development of the property is very difficult and particularly so for small cap companies. Groups have expressed non-binding offers and Blacksteel is pursuing these offers to maximize the return to Blacksteel stakeholders. The purpose of approving a sale authorization will allow Blacksteel to close a firm offer expeditiously and examine new business opportunities that could create greater potential returns. Delays caused by waiting for shareholder approval could inhibit Blacksteel's ability to close a transaction. There is no firm offer for the assets as of the date of this filing.

*Dissent Rights Associated with the Asset Sale*

The proposed Asset Sale constitutes the sale of "all or substantially all" of the assets of the Corporation under the ABCA. Consequently, a Shareholder is entitled to dissent (a "**Dissenting Shareholder**") and be paid the fair value of such shares if the Asset Sale is completed and the Shareholder issues a written objection to the transaction at or before the Meeting and otherwise complies with the procedure set out in Section 191 of the ABCA. The following is a summary of the provisions of Section 191 of the ABCA and is qualified in its entirety by Section 191 of the ABCA.

A Dissenting Shareholder may claim under Section 191 only with respect to all the shares of a class held by such Dissenting Shareholder or on behalf of a beneficial owner and registered in the Dissenting Shareholder's name. The filing of an objection notice does not deprive a shareholder of the right to vote on the special resolution in question.

In the event that the Shareholders approve the Asset Sale, the Corporation or a Dissenting Shareholder may make application to the court to fix the fair value of the Common Shares of a Dissenting Shareholder. If an application is made to the Court, unless the Court otherwise orders, the Corporation must send to each Dissenting Shareholder a written offer to pay such Dissenting Shareholder an amount considered by the directors of the Corporation to be the fair value of the Common Shares. The offer to each Dissenting Shareholder must be on the same terms and contain or be accompanied by a statement showing how the fair value was determined. Fair value shall be determined as of the close of business on the last day before the day on which the special resolution was adopted.

A Dissenting Shareholder may make an agreement for the sale of the Dissenting Shareholder's Common Shares to the Corporation in the amount of the offer by the Corporation or otherwise, at any time before the Court pronounces an order fixing the fair value of the Common Shares.

On an application under Section 191, the Court must make an order fixing the fair value of the Common Shares of all Dissenting Shareholders giving judgment in that amount against the Corporation and in favour of each Dissenting Shareholder and fixing the time within which the Corporation must pay that amount to a Dissenting Shareholder.

The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date on which the Dissenting Shareholder ceases to have any rights as a shareholder until the date of payment.

The Dissenting Shareholder is not required to give security for costs in respect of an application to the Court to fix the fair value of the Dissenting Shareholder's Common Shares, and, except in special circumstances, shall not be required

to pay the costs of the application or appraisal.

A Dissenting Shareholder ceases to have any rights as shareholder, other than the right to be paid the fair value of the Dissenting Shareholder's Common Shares, on the earliest of the date of the making of an agreement between the Corporation and the Dissenting Shareholder as to the payment to be made by the Corporation for the Dissenting Shareholder's Common Shares or the pronouncement of the order of the Court fixing the fair value of the Common Shares. Until any of the foregoing events occur, the Dissenting Shareholder may withdraw his or her dissent and proceedings under Section 191 will be discontinued.

The Corporation will not make a payment to a Dissenting Shareholder under Section 191 if there are reasonable grounds for believing that the Corporation is, or would be after the payment, unable to pay its liabilities as they become due, or that the realizable value of the assets of the Corporation would thereby be less than the aggregate of its liabilities.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of his or her Common Shares. Section 191 of the ABCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Shareholder who may desire to exercise the right of dissent and appraisal should carefully consider and comply with the provisions of Section 191 of the ABCA, the full text of which is set out in Appendix "C" of this Information Circular.

#### *Anticipated Ramifications of Failure to Approve the Asset Sale*

If the Asset Sale Resolution is not approved by Shareholders at the Meeting, the Corporation will continue with its current operations. The Board will continue to evaluate and consider strategic alternatives going forward but has unanimously recommended that Shareholders vote in favour of the Asset Sale as they believe it is in the best interests of the Corporation for the reasons set out herein.

#### *Required Shareholder Approvals for the Asset Sale*

##### ABCA

As the Asset Sale can be considered to be a sale of all or substantially all of the assets of the Corporation, other than in the ordinary course of business, Section 190 of the ABCA requires that the Asset Sale Resolution must be approved by a majority of not less than 66 2/3% of the votes cast by Shareholders who vote in respect of the Asset Sale Resolution.

#### *Approval of the Asset Sale Resolution*

Shareholders will be asked to consider and if deemed appropriate, to pass the following special resolution (the "**Asset Sale Resolution**") authorizing and approving the sale of all of Blacksteel's Oil and Gas Assets, which are all or substantially all of the assets of the Corporation, in accordance with the *Business Corporations Act* (Alberta). In order to be approved, the Asset Sale Resolution requires approval of not less than 66 2/3<sup>rd</sup> of the votes cast by Shareholders, voting in person or by proxy, at the Meeting.

#### **"BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:**

- (a) the disposition of all or substantially all of the assets of Blacksteel Energy Inc. (the "**Corporation**"), is hereby authorized and approved subject to such terms, conditions and provisions as may be approved by the board of directors of the Corporation (the "**Board**");
- (b) any one director or officer of the Corporation is hereby authorized to take all such further action, as any such officer or director may deem necessary, proper, convenient or desirable in order to carry out each of the foregoing resolutions and to effectuate the purposes and intents thereof, and that all actions taken by any such officer or director of the Corporation to date, in connection with the foregoing resolutions, or otherwise, are hereby in all respects confirmed, ratified and approved; and

- (c) notwithstanding the approval of this resolution by the shareholders of the Corporation, the Board is hereby authorized to revoke this resolution at any time prior to the completion of the transactions contemplated herein in their discretion without giving further notice to the shareholders of the Corporation if the Board determines in its discretion that it would be in the best interests of the Corporation to do so.”

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the Asset Sale Resolution.**

**(h) Approval of Up to a 10:1 Consolidation of the Common Shares of the Corporation**

*Background to and Reasons for the Share Consolidation*

Management of the Corporation is of the opinion that it requires the flexibility to complete a Share Consolidation, if necessary, of up to ten (10) pre-consolidation Common Share for one (1) post-consolidation Common Share, in order to find an accretive transaction for the Corporation and its shareholders. Management of the Corporation will use its discretion as the ratio of the Share Consolidation (up to 10:1) and whether or not it is in the Corporation’s best interests to complete a Share Consolidation. It will not proceed with such an action unless it feels that it is appropriate to do so. Approval of the Share Consolidation does not mean that it will occur.

Although approval for the Share Consolidation is being sought at the Meeting, if approved, the Share Consolidation would not become effective until the Board determines (as stated above) it to be in our and our shareholders’ best interest and articles of amendment are filed to implement the Share Consolidation. The special resolution will also authorize the Board to elect not to proceed with, and abandon, the Share Consolidation at any time if it determines, in its sole discretion, that the Share Consolidation is not in our and our shareholders’ best interest.

*Effects of the Share Consolidation*

General

If approved and effected, the Share Consolidation will decrease the number of Common Shares issued and outstanding and is expected to initially increase the market price per Common Share on a basis proportionate to the consolidation ratio. The Share Consolidation will not change a shareholder’s proportionate ownership in the Corporation or the rights of the Shareholders. Each Common Share outstanding after the Share Consolidation will be entitled to one vote and will be fully paid and non-assessable.

In addition, as a result of the Share Consolidation, there will be certain consequential adjustments to the outstanding stock options to purchase Common Shares to preserve, proportionately, the rights of holders of outstanding stock options. The exercise price and the number of Common Shares issuable upon the exercise of the stock options under the Plan will be proportionately adjusted if the Share Consolidation is given effect.

*No Fractional Shares*

No fractional shares will be issued pursuant to the Share Consolidation. In lieu of any such fractional shares, each registered shareholder otherwise entitled to a fractional share following the implementation of the Share Consolidation will receive the nearest whole number of post Share Consolidation shares. For example, any fractional interest representing less than 0.5 of a post Share Consolidation share will not entitle the holder thereof to receive a post-Share Consolidation share and any fractional interest representing 0.5 or more of a post-Share Consolidation share will entitle the holder thereof to receive one whole post- Share Consolidation share. In calculating such fractional interests, all shares registered in the name of each registered shareholder will be aggregated.

*No Dissent Rights*

Shareholders are not entitled to exercise any statutory dissent rights with respect to the proposed Share Consolidation.

### *Accounting Consequences*

If the Share Consolidation is implemented, net income or loss per share, and other per share amounts, will be increased because there will be fewer shares issued and outstanding. In future financial statements, net income or loss per share and other per share amounts for periods ending before the Share Consolidation took effect would be recast to give retroactive effect to the Share Consolidation.

### *Risks Associated with the Share Consolidation*

Reducing the number of issued and outstanding shares through the Share Consolidation is intended, absent other factors, to increase the per share market price of the post-Share Consolidation shares. However, the market price of the shares will also be affected by our financial and operational results, our financial position, including our liquidity and capital resources, industry conditions, the market's perception of our business and other factors, which are unrelated to the number of shares outstanding. Having regard to these other factors, there can be no assurance that the market price of the shares will increase following the implementation of the Share Consolidation.

There can also be no assurance that the implementation of the Share Consolidation will, in and of itself, guarantee the continued listing of the shares on the or eligibility for listing on any exchange.

Although we believe that establishing a higher market price for our shares could increase investment interest for our shares by potentially expanding the pool of investors that may consider investing in our shares, including investors whose internal investment policies prohibit or discourage them from purchasing stocks trading below a certain minimum price, there is no assurance that implementing the Share Consolidation will achieve this result.

If the Share Consolidation is implemented and the market price of our shares (adjusted to reflect the Share Consolidation ratio) declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would have occurred if the Share Consolidation had not been implemented. Both our total market capitalization and the adjusted market price of our shares following a consolidation or reverse split may be lower than they were before the consolidation or reverse split took effect. The reduced number of shares that would be outstanding after the Share Consolidation is implemented could adversely affect the liquidity of the shares.

### *Approval of Consolidation Resolution*

Shareholders will be asked to consider and if deemed appropriate, to pass the following special resolution (the "**Consolidation Resolution**") authorizing and approving, at the discretion of the board of directors, the filing of Articles of Amendment to consolidate the issued and outstanding Common Shares of Blacksteel on the basis of up to ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share. In order to be approved, the Consolidation Resolution requires approval of not less than 66 2/3<sup>rd</sup> of the votes cast by Shareholders, voting in person or by proxy, at the Meeting.

#### **"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:**

- (a) Blacksteel Energy Inc. (the "**Corporation**") be and it is hereby authorized to file articles of amendment under the *Business Corporations Act* (Alberta) to amend its articles of amalgamation to change the number of issued and outstanding Common Shares of the Corporation (Common Shares) by consolidating the issued and outstanding Common Shares on the basis of one (1) new post-consolidation Common Share for every ten (10) pre-consolidation Common Shares, or such fewer number of pre-consolidation Common Shares as determined by the board of directors, at its sole discretion, such amendment to become effective at a date in the future to be determined by the board of directors, at a time that it considers it to be in the best interests of the Corporation to implement such a Share Consolidation, subject to stock exchange approval if required;
- (b) the amendment to the articles of amalgamation giving effect to the Share Consolidation will provide that no fractional Common Shares will be issued in connection with the Share Consolidation and that the number of post-consolidation Common Shares to be received by a registered shareholder will be rounded up, in the case of a fractional interest that is 0.5 or greater, or rounded down, in the case of a fractional interest that is less

than 0.5, to the nearest whole number of Common Shares that such holder would otherwise be entitled to receive upon the implementation of the Share Consolidation;

- (c) notwithstanding that this special resolution has been duly adopted by the shareholders of the Corporation, the board of directors of the Corporation be and it is hereby authorized, in its sole discretion, to 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 shareholders of the Corporation; and
- (d) any one or more directors or officers of the Corporation be, and each of them is hereby, authorized and directed for and in the name and on behalf of the Corporation, to execute and deliver such notices and documents, including, without limitation, the articles of amendment to the Registrar under the *Business Corporations Act* (Alberta), and to do such acts and things as in the opinion of that person, may be necessary or desirable to give effect to this special resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the Consolidation Resolution.**

(e) **Approval of Delisting of the Corporation’s Common Shares from the TSX Venture Exchange**

*Background to the delisting*

The Common Shares are listed for trading on the TSX Venture Exchange (“**TSXV**”). As a public company, management of the Corporation has been unable to secure needed financing and the Corporation’s directors believe that the minimal trading activity of the Common Shares no longer justifies the expense and administrative requirements associated with maintaining the listing on the TSXV. As such, the Corporation’s directors believe that it would be in the best interests of the Corporation and all stakeholders to have the Common Shares voluntarily delisted from the TSXV and for the directors to consider options for listing the Common Shares on the Canadian Securities Exchange.

Once the delisting of the Common Shares has taken place, it will no longer be possible for shareholders to effect transactions involving the Common Shares on the TSXV, which will impact the liquidity of the Common Shares. Upon receipt of TSXV and shareholder approval, the TSXV will issue a bulletin confirming the effective time of the delisting of the Common Shares.

*Approval of the Delisting Resolution*

To comply with the minority shareholder approval requirements of the TSXV, at the Meeting, the Shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution (the “**Delisting Resolution**”) authorizing the Corporation to delist the Common Shares from the TSXV in accordance with TSX Venture Exchange Policy 2.9 *Trading Halts, Suspensions and Delisting*. To pass, this ordinary resolution requires the approval of a majority of the votes cast in person or by proxy at the Meeting, excluding the votes attaching to the Common Shares held by promoters, directors, officers or other insiders of the Corporation.

**“BE IT RESOLVED THAT:**

- (a) Blacksteel Energy Inc. (the “**Corporation**”) be and is hereby authorized to apply to, and have the Common Shares of the Corporation voluntarily delisted from trading on, the TSX Venture Exchange, all in accordance with TSX Venture Exchange Policy 2.9 *Trading Halts, Suspensions and Delisting* (the “**Delisting**”)
- (b) the Corporation be and is hereby authorized to apply to, and have the Common Shares of the Corporation listed on the Canadian Securities Exchange (the “**Listing**”);

- (c) notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered, without further notice to, or approval of, the shareholders of the Corporation to not proceed with the Delisting or the Listing; and
- (d) any one or more directors or officers of the Corporation are hereby authorized, for and on behalf and in the name of the Corporation, to execute and deliver, whether under corporate seal of the Corporation or otherwise, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, including:
  - (i) all actions required to be taken by or on behalf of the Corporation, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
  - (ii) the signing of the certificates, consents and other documents or declarations required to be entered into by the Corporation,

such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

**The persons named as proxyholders in the accompanying form of proxy, if not expressly directed to the contrary, will vote in FAVOUR of the Delisting Resolution.**

### **PART III EXECUTIVE COMPENSATION**

The Corporation (as defined below) is a “venture issuer” as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* and is disclosing its statement of executive compensation in accordance with Form 51-102F6V (as defined below).

In this section, the following terms have the meaning set forth below:

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

“**Corporation**” means Blacksteel Energy Inc.;

“**Form 51-102F6V**” means the *Statement of Executive Compensation – Venture Issuers*; and

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) in Form 51-102F6V of National Instrument 51-102 – *Continuous Disclosure Obligations*, for that financial year; and

- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

For the purposes of this section, all dollar amounts are in Canadian dollars.

### **Compensation Discussion and Analysis**

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives and management team members required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers and management team members to the overall success and strategic growth of the Corporation and to align a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other comparable Canadian oil and gas companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long-term basis. The Corporation does not have a pension plan or other form of formal retirement compensation. The Corporation's compensation plan consists of the following items: (i) base salary; (ii) short term incentive compensation in the form of bonuses; and (iii) long term incentive compensation in the form of stock options. Directors and officers of the Corporation are not currently permitted to purchase financial instruments which are designed to hedge or offset the market value of equity securities granted as compensation.

The Corporation has considered the risks associated with its compensation policies and practices and is of the view that they are appropriate for a company of its size within its industry sector.

The compensation of all of the Corporation's employees, including executive officers, is consistent with the above policies. A description of the criteria used in each element of compensation is set forth below.

#### **Base Salaries**

The Corporation's policy is that salaries for the executive officers and professionals shall be competitive with salaries paid among industry peer companies of similar size. Base salaries paid to the senior officers of the Corporation, including the President and Chief Executive Officer, are competitive with the comparative salaries of positions for the Corporation's peer group, using such criteria as revenue, production, cash flow and number of employees. Salaries of the executive officers, including that of the President and Chief Executive Officer, are reviewed annually.

#### **Short Term Incentive Compensation - Bonuses**

The Board uses a bonus plan for the President and Chief Executive Officer, which the Board believes aligns his interests with the Shareholders of the Corporation. The bonus allocation is discretionary and there are currently no specified targets or criteria set out, although matters such as contributions to the following factors are considered: (i) cost control effectiveness; (ii) finding, development and acquisition costs; (iii) growth in reserves per share; (iv) growth in production and cash flow per share; and (v) growth in net asset value per share.

Establishment and payment of bonuses is subject to approval of the Board and the Board has the right to amend or suspend the bonus plan at its discretion.

#### **Long Term Incentive Compensation – Stock Options**

The Corporation had previously established a stock option plan (the “**Option Plan**”) which covers all officers, directors, employees and consultants of the Corporation and was administered by the Board who determine to whom options to purchase Common Shares (“**Options**”) should be granted, under what terms and the vesting periods of the Options. The Option Plan has been replaced by the 2021 Equity Incentive Plan, which will allow for the granting of

incentive securities such as restricted share units and deferred share units in addition to stock options. Please see the attached Schedule “A” to this Circular for full details of the 2021 Equity Incentive Plan.

### Stock Appreciation Rights

Stock appreciation rights (“SARs”) means a right, granted by the Corporation or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of Common Shares based wholly or in part on changes in the trading price of the Corporation’s Shares.

No SARs were granted to, or exercised by, any Named Executive Officer or any directors during the most recently completed financial year.

### Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets out details of all payments, grants, awards, gifts and benefits paid or awarded to each NEO and director in the two most recently completed financial years. There were no other executive officers at the end of the most recently completed financial year whose total salary and bonus exceeded \$150,000.

**Table of Compensation excluding Compensation Securities**

<b>Name and Position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)(1)</b>	<b>Value of all other compensation (\$)</b>	<b>Total Compensation (\$)</b>
Jeffrey Callaway	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Eugene Chen	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Chris Scase	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Les Treitz	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Derek Batorowski	2020	23,000	Nil	Nil	Nil	Nil	Nil
	2019	13,000	Nil	Nil	Nil	Nil	Nil

During the year ended April 30, 2020, no management functions were performed by any person other than the directors or executive officers of the Corporation.

### Stock Options and other Compensation Securities

The following table sets out details of all compensation securities granted or issued to each director and Named Executive Officer by the Corporation in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation.

**Compensation Securities**

<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of compensation securities, number of underlying securities, and percentage of class</b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)</b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
Jeffrey Callaway	2020 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Eugene Chen	2020 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Chris Scase	2020 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Les Treitz	2020 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Derek Batorowski	2020 2019	Nil Nil	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A

**Exercise of Compensation Securities by Directors or NEOs**

<b>Name and Position</b>	<b>Type of compensation security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price per security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date (\$)</b>
Jeffrey Callaway	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Eugene Chen	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Chris Scase	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Les Treitz	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Derek Batorowski	2020 2019	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A

## **Equity Incentive Plan**

The Corporation currently has in place a Plan which was established by the Corporation to allow for the grant of stock options and restricted awards, namely, restricted share units and deferred share units to directors, officers, employees and consultants of the Corporation. For a more detailed description of the Plan, see “*Part II – Business of Meeting – Special Business at the Meeting – Approval of the 2021 Equity Incentive Plan*”.

## **Employment, Consulting and Management Agreements**

There are no existing employment, consulting or management agreements.

## **Oversight and Description of Director and NEO compensation**

The Board has established the Compensation and Governance Committee (“CGC”) who makes decisions regarding all forms of compensation for directors and NEOs, including salaries, bonuses and equity incentive compensation for directors and NEOs, as well as approves corporate goals and objectives relevant to their compensation. The Board, on the recommendation of the CGC is responsible for setting the overall compensation strategy of the Corporation and evaluating and making determinations for the compensation of its directors and executive officers. The Board, on the recommendation of CGC and in accordance with the CGC Charter, annually reviews and determines compensation for the Corporation’s directors and NEOs.

The Corporation does not pay compensation to its directors in the form of annual fees for attending meetings of the Board. Directors do not receive additional compensation for acting as chairs of committees of the Board. Directors are entitled to receive stock options and other applicable awards under the Plan and are reimbursed for any out-of-pocket travel expenses incurred in order to attend meetings of the Board, committees of the Board or meetings of Shareholders.

The Corporation compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Corporation, the Corporation’s performance, industry practice and regulatory guidelines regarding executive compensation levels. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility; bearing in mind the limited cash reserves of the Corporation.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders:

- (a) First, executive officers may be paid a monthly salary. In setting the recommended salary for its NEOs, CGC, and ultimately the Board, takes into consideration the salaries or fees paid to other executive officers in similar industries and in the public company sector;
- (b) Second, the Board may award executive officers long term incentives in the form of stock options and/or restricted share units. The Board has the overall responsibility to administer the Plan and the grant of awards under the Plan. For further details relating to the Plan and grant of awards see the heading titled, “*Executive Compensation – Equity Incentive Plan*”; and
- (c) Finally, the Board may approve from time to time, the payment of a cash bonus for exceptional performance that results in a significant increase in shareholder value.

The Corporation does not provide pension or other benefits to its executive officers. In addition, the Corporation does not have pre-existing performance criteria or objectives, as such, all significant elements of compensation awarded to, earned by, paid or payable to NEOs are determined by the Board on a subjective basis. The Corporation has not used any peer group to determine compensation for its directors and NEO.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to annual review by the CGC and Board approval.

## Pension Disclosure

The Corporation does not have any pension plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Corporation does not have a deferred compensation plan with respect to any NEO.

## PART IV CORPORATE GOVERNANCE

### Board of Directors

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and take 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 its Shareholders and contribute to effective and efficient decision making. The Corporation has approved director and Board responsibilities and the mandate of the board.

Pursuant to National Instrument 58-101 - Disclosure of Corporate Governance Practices (“NI 58-101”), the Corporation is required to disclose its corporate governance practices as summarized below.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director 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 of directors, reasonably interfere with the exercise of a director's independent judgment. Other than Audit Committee meetings, the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board of the Corporation facilitates independent supervision of management through meetings of the Board and through informal discussions among independent members of the Board and management. In addition, the Board has free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

The Board is currently comprised of three directors: Eugene Chen, Jeffrey Callaway and Les Treitz.

### Independence

As of the date of this Circular, the Board is comprised of three directors, one of whom is independent. Under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's exercise of independent judgment. The Board has determined that Eugene Chen as a partner of McLeod Law LLP, the Corporation's legal counsel, is not considered independent and Jeffrey Callaway as the Corporation's Chief Executive Officer is not independent.

We have taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. The Board holds regularly scheduled meetings as well as ad hoc meetings from time to time. It is contemplated that during meetings of the Board or the Committees, the independent directors will hold in-camera sessions at which neither non-independent directors nor management are in attendance.

### Other Directorships

The following directors of Blacksteel are also directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction:

**Name of the Director**

Eugene Chen

**Name of Other Reporting Issuer**

Discover Wellness Solutions Inc. (CSE)

## **Orientation and Continuing Education**

The Corporation is considering preparing a Board Policy Manual which will provide a comprehensive introduction to the Board and its committees. At present, each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues with the Corporation. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The Board Policy Manual, if prepared, is expected to be reviewed on an annual basis and a revised copy will be given to each director.

The introduction and education process will be reviewed on an annual basis by the board of directors and will be revised as necessary.

## **Ethical Business Conduct**

The Board has considered adopting a written code of business conduct and ethics and has decided it is unnecessary to adopt such a code at the present time due to the size of the Corporation and the current activity level of the Corporation.

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the ABCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

## **Nomination of Directors**

The Board has not appointed a nominating committee. The Board determines new nominees to the Board although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board including both formal and informal discussions among the members of the Board and the officers of the Corporation.

## **Compensation and Corporate Governance Committee**

The independent directors have the responsibility for determining compensation for the directors and officers of the Corporation.

To determine compensation payable, the independent directors review compensation paid for directors and Named Executive Officers of companies of similar size and stage of development in the oil and gas industry and determine an appropriate compensation, reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers, while taking into account the financial and other resources of the Corporation. In setting the compensation, the independent directors annually review the performance of the executive officers in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives. The directors receive no compensation for their role as directors other than through incentive

## **Other Board of Directors Committees**

In addition to the Audit Committee and the Compensation and Governance Committee, the Board has a Reserve Committee.

The Corporation's Reserve Committee has a mandate to: (i) select and determine remuneration for the Corporation's reserves evaluator (the “**Reserves Evaluator**”); (ii) monitor the Corporation's processes and procedures to ensure flow of relevant information to the Reserves Evaluator; review the annual and periodic independent engineering reports; (iii) provide oversight of the Corporation's systems for complying with regulatory requirements; (iv) provide oversight of the Corporation's systems for disclosure of reserves information; (v) review the disclosed oil and gas reserves data; and (vi) review the reserves data of the Reserves Evaluator.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board. The Board through the careful selection of its members and from fostering a culture of openness has established an environment where its members are given ongoing feedback on their performance.

## **Audit Committee**

At no time since the completion of its amalgamation on December 23, 2009 has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of its reporting obligations under NI 52-110. This exempts a “venture issuer” from the requirement to comply with Part 3 “Composition of the Audit Committee” and Part 5 “Reporting Obligations” of MI 52-110.

The Board has adopted a written mandate for the Audit Committee, a copy of which is available under Blacksteel’s SEDAR profile at [www.sedar.com](http://www.sedar.com). The full text of the mandate of the Audit Committee is attached under Schedule “B” of this Circular.

The Audit Committee consists of three directors, the majority of whom are not independent. They are also all financially literate in accordance with NI 52-110. The members of the Audit Committee are Eugene Chen, Jeffrey Callaway and Les Treitz.

For the purposes of NI 52-110, an individual is financially literate if he or she has 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 issuer’s financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found under the heading “*Part II – Business of the Meeting - Election of Directors*”.

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. At no time since the commencement of our most recently completed financial year, have we relied on the exemption in specified under item 5 of Form 52-110F2.

The Audit Committee has adopted policies and procedures for the engagement of non-audit services. The Audit Committee has delegated to its members the authority to pre-approve non-audit services, provided, however, that such pre-approval of non-audit services shall be presented to the Audit Committee at its first scheduled meeting following any such pre-approval.

## Audit Fees

The following table summarizes the fees billed by our independent auditors, PKF Antares Professional Corporation, Chartered Professional Accountants and RSM Canada LLP respectively, for external audit and other services performed for the period indicated.

	<u>2018 (RSM)</u>	<u>2019 (RSM)</u>	<u>2020 (Antares)</u>
Audit Fees <sup>(1)</sup>	\$36,015	\$38,588	\$26,250
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$ Nil	\$ Nil
Tax Fees <sup>(3)</sup>	Nil	\$ Nil	\$ Nil
All other Fees <sup>(4)</sup>	\$Nil	\$ Nil	\$ Nil
<b>TOTAL</b>	<u><b>\$36,015</b></u>	<u><b>\$38,588</b></u>	<u><b>\$26,250</b></u>

### Notes:

- (1) Represents the aggregate fees for services related to the audit of annual financial statements.
- (2) Represents the aggregate fees for assurance and related services not included in Audit Fees.
- (3) Represents the aggregate fees billed for tax compliance, tax advice and tax planning.

## PART V OTHER INFORMATION

### Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as disclosed elsewhere in this Circular, no director or executive officer of Blacksteel who was a director or executive officer since the beginning of our last financial year, each proposed Director Nominee, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or other securities in Blacksteel or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

### Securities Authorized for Issuance Under Equity Compensation Plans

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options and rights</u>	<u>Weighted-average exercise price of outstanding options and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the prior two columns)</u>
Equity compensation plans approved by securityholders	830,000	\$0.10	2,792,741
Equity compensation plans not approved by securityholders <sup>(1)</sup>	N/A	N/A	N/A
<b>TOTAL</b>	<u><b>830,000</b></u>	<u><b>\$0.10</b></u>	<u><b>2,792,741</b></u>

### Note:

- (1) The 2021 Equity Incentive Plan will be placed before Shareholder for their approval at the Meeting. See “Part II – Business of the Meeting – Special Business at the Meeting – Approval of the 2021 Equity Incentive Plan”.

### **Indebtedness of Directors and Executive Officers**

During the fiscal year ended April 30, 2020, no director, executive officer, employee and former executive officer, director or employee, was, or has been at any time since the beginning of the last completed fiscal year, indebted to Blacksteel, nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by Blacksteel.

### **Interest of Informed Persons in Material Transactions**

Blacksteel is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or proposed director for election as a director in any transaction in the most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Blacksteel.

### **Appointment of Auditor**

PKF Antares Professional Corporation, Chartered Professional Accountants, first appointed on October 12, 2020, continue to hold office as the auditors of Blacksteel.

### **Additional Information**

Additional information relating to Blacksteel is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Financial information is provided in Blacksteel's comparative financial statements and management's discussion and analysis ("MD&A") for the most recently completed financial year. Blacksteel will provide to any person or company, without charge to any security holder of the Corporation, upon request to the Chief Financial Officer, copies of its comparative consolidated annual financial statements and MD&A for the year ended April 30, 2020, together with the accompanying auditor's report and any interim consolidated financial statements of the Corporation that have been filed for any period after the end of the Corporation's most recently completed financial year.

**SCHEDULE "A"**  
**2021 EQUITY INCENTIVE PLAN**

**(See attached)**

## BLACKSTEEL ENERGY INC., 2021 EQUITY INCENTIVE PLAN

### ARTICLE 1. PURPOSE; ELIGIBILITY.

- 1.1 General Purpose. The name of this plan is Blacksteel Energy Inc., 2021 Equity Incentive Plan (the “**Plan**”). The purposes of this Plan are to (a) enable Blacksteel Energy Inc., (the “**Corporation**”), and any Affiliate to attract and retain the types of Employees (including officers of the Corporation), Consultants and Directors who will contribute to the Corporation’s long term success; (b) provide incentives that align the interests of Employees, Consultants and Directors with those of the security holders of the Corporation; and (c) provide incentive elements in overall compensation for Employees, Consultants and Directors to be market-competitive and promote the success of the Corporation’s business.
- 1.2 Eligible Award Recipients. The persons eligible to receive Awards are the Employees, Consultants and Directors of the Corporation and its Affiliates and such other individuals designated by the Committee who are reasonably expected to become Employees, Consultants and Directors after the receipt of Awards.

### ARTICLE 2. DEFINITIONS.

In this Plan, unless the context otherwise requires, the following words and expressions have the following meanings:

- (a) “**Affiliate**” means any entity that is an “affiliate” for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time;
- (b) “**Applicable Laws**” means the applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Plan;
- (c) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts that an Employer is required by law to withhold from any amounts to be paid or credited hereunder. Applicable Withholding Taxes shall be denominated in the currency in which the Award is denominated;
- (d) “**Award**” means any right granted under the Plan, including a Stock Option or a Restricted Award (which includes RSUs and DSUs);
- (e) “**Award Agreement**” means a written agreement, contract, certificate or other instrument or document evidencing the terms and conditions of an individual Award granted under the Plan that may, in the discretion of the Corporation, be transmitted electronically to any Participant. Each Award Agreement shall be subject to the terms and conditions of the Plan;
- (f) “**Beneficiary**” means, subject to applicable law, any Person designated by a Participant by written instrument filed with the Corporation in such form as may be approved from time to time by the Corporation, to receive any amount payable under the Plan in the event of a Participant’s death or, failing any such effective designation, the Participant’s estate;
- (g) “**Blackout Period**” means, with respect to any person, the period of time when, pursuant to any policies or determinations of the Corporation, securities of the Corporation may not be traded by such person, including any period when such person has material undisclosed information, but excluding any period during which a regulator has halted trading in the Corporation’s securities;
- (h) “**Board**” means the Board of Directors of the Corporation, as constituted at any time;
- (i) “**Business Day**” means any day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the city of Calgary, Alberta are not open for business;
- (j) “**Cause**” means:

With respect to any Participant, unless the applicable Award Agreement states otherwise:

- (i) if the Participant is a party to an employment or service agreement with the Corporation or its Affiliates and such agreement provides for a definition of Cause, the definition contained therein; or
- (ii) if no such agreement exists, or if such agreement does not define Cause, any act or omission that would entitle the Corporation to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law: (a) the indictment for or conviction of an indictable offence or any summary offence involving material dishonesty or moral turpitude; (b) material fiduciary breach with respect to the Corporation or an Affiliate; (c) fraud, embezzlement or similar conduct that results in or is reasonably likely to result in harm to the reputation or business of the Corporation or any of its Affiliates; (d) gross negligence or willful misconduct with respect to the Corporation or an Affiliate; (e) material violation of Applicable Laws; or (f) the willful failure of the Participant to properly carry out his or her duties on behalf of the Corporation or to act in accordance with the reasonable direction of the Corporation.

With respect to any Director, unless the applicable Award Agreement states otherwise, a determination by a majority of the disinterested Board members that the Director has engaged in any of the following:

- (i) gross misconduct or neglect;
- (ii) willful conversion of corporate funds;
- (iii) false or fraudulent misrepresentation inducing the director's appointment; or
- (iv) repeated failure to participate in Board meetings on a regular basis despite having received proper notice of the meetings in advance.

The Committee, in its absolute discretion, shall determine the effect of all matters and questions relating to whether a Participant has been discharged for Cause;

- (k) **"Change in Control"** means, unless otherwise defined in the Participant's employment or service agreement or in the applicable Award Agreement, the occurrence of any of the following:
  - (i) any transaction at any time and by whatever means pursuant to which any Person or any group of two or more Persons acting jointly or in concert (other than the Corporation or any wholly owned subsidiary of the Corporation) thereafter acquires the direct or indirect "beneficial ownership" (as defined in the Securities Act) of, or acquires the right to exercise control or direction over, securities of the Corporation representing 50% or more of the then issued and outstanding voting securities of the Corporation in any manner whatsoever, including, without limitation, as a result of a Take-over Bid, an issuance or exchange of securities, an amalgamation of the Corporation with any other Person, an arrangement, a capital reorganization or any other business combination or reorganization;
  - (ii) the sale, assignment or other transfer of all or substantially all of the assets of the Corporation to a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation);
  - (iii) the date which is 10 Business Days prior to the consummation of a complete dissolution or liquidation of the Corporation, except in connection with the distribution of assets of the Corporation to one or more Persons which were wholly- owned subsidiaries of the Corporation prior to such event;

- (iv) the occurrence of a transaction requiring approval of the Corporation's security holders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any Person or any group of two or more Persons acting jointly or in concert (other than an exchange of securities with a wholly-owned subsidiary of the Corporation); or
- (v) the Board passes a resolution to the effect that an event comparable to an event set forth in this definition has occurred;

provided that an event described in this definition shall not constitute a Change in Control where such event occurs as a result of a Permitted Reorganization;

- (l) **"Committee"** means a committee of one or more members of the Board appointed by the Board to administer the Plan, provided, however, if such a committee does not exist, all references in the Plan to "Committee" shall at such time be in reference to the Board;
- (m) **"Common Share"** means a Common Share in the capital of the Corporation, or such other security of the Corporation as may be designated by the Committee from time to time in substitution thereof;
- (n) **"Constructive Dismissal"** means, unless otherwise defined in the Participant's employment agreement or in the applicable Award Agreement, has the meaning ascribed thereto pursuant to the common law and shall include, without in any way limiting its meaning under the common law, any material change (other than a change which is clearly consistent with a promotion) imposed by the Employer without the Participant's consent to the Participant's title, responsibilities or reporting relationships, or a material reduction of the Participant's compensation except where such reduction is applicable to all officers, if the Participant is an officer, or all employees, if the Participant is an employee of the Employer, provided that the termination of any Participant shall be considered to arise as a result of Constructive Dismissal only if such termination occurs due to such Participant resigning from employment within 30 days of the occurrence of the event described as giving rise to such Constructive Dismissal;
- (o) **"Consultant"** means any individual or entity that performs bona fide services to the Corporation or an Affiliate, other than as an Employee or Director;
- (p) **"Continuing Entity"** has the meaning ascribed thereto in Section 5.3(b);
- (q) **"Continuous Service"** means that the Participant's service with the Corporation or an Affiliate, whether as an Employee, Consultant or Director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Corporation or an Affiliate as an Employee, Consultant or Director, or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's Continuous Service. For example, a change in status from an Employee of the Corporation to a Director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence. The Committee or its delegate, in its sole discretion, may determine whether a Corporation transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a termination of Continuous Service for purposes of affected Awards, and such decision shall be final, conclusive and binding;
- (r) **"Control Period"** means the period commencing on the date of the Change in Control and ending 180 days after the date of the Change in Control;
- (s) **"Corporation"** means Blacksteel Energy Inc., and any successor thereto;
- (t) **"Corporation Group"** means the Corporation and its subsidiaries and Affiliates;

- (u) **“Deferred Share Units”** or **“DSUs”** has the meaning set forth in Section 4.4;
- (v) **“DSU Settlement Date”** has the meaning set forth in Section 4.4;
- (w) **“Director”** means a member of the Board;
- (x) **“Disability”** means, unless an employment agreement or the applicable Award Agreement says otherwise, that the Participant:
  - (a) is to a substantial degree unable, due to illness, disease, affliction, mental or physical disability or similar cause, to fulfill his or her obligations as an officer or employee of the Employer either for any consecutive 12-month period or for any period of 18 months (whether or not consecutive) in any consecutive 24-month period; or
  - (b) is declared by a court of competent jurisdiction to be mentally incompetent or incapable of managing his or her affairs. The determination of whether an individual has a Disability shall be determined under procedures established by the Committee. The Committee may rely on any determination that a Participant is disabled for purposes of benefits under any long-term disability plan maintained by the Corporation or any Affiliate in which a Participant participates;
- (z) **“Effective Date”** shall mean the date as of which this Plan is adopted by the Board;
- (aa) **“Employee”** means any person, including an officer, employed by the Corporation or an Affiliate;
- (bb) **“Employer”** means, with respect to a Participant, the entity in the Corporation Group that employs the Participant or that employed the Participant immediately prior to his or her Termination Date;
- (cc) **“Exchange”** means the Canadian Securities Exchange;
- (dd) **“Expiry Date”** has the meaning set forth in Section 3.7(a);
- (ee) **“Fair Market Value”** means, as of any particular date, the value of the Common Shares as determined by the Committee in accordance with the following: (i) if the Common Shares are listed on the Exchange, the Fair Market Value shall be the price that is not lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant, and (b) the Grant Date or, (ii) if the Common Shares are not then listed and posted for trading on any stock exchange in Canada or the United States, then the Fair Market Value shall mean the fair market value per Common Share (in Canadian dollars) as determined in good faith by the Committee in its sole discretion, and such determination shall be conclusive and binding on all persons;
- (ff) **“Grant Date”** means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution;
- (gg) **“ITA”** means the *Income Tax Act* (Canada), including the regulations promulgated thereunder, as amended from time to time;
- (hh) **“Leave of Absence”** means any period during which, pursuant to the prior written approval of the Participant’s Employer or by reason of Disability, the Participant is considered to be on an approved leave of absence or on Disability and does not provide any services to his or her Employer or any other entity in the Corporation Group;
- (ii) **“Notice of Exercise”** means a notice substantially in the form set out as a Schedule to the applicable Award Agreement, as amended by the Corporation from time to time;
- (jj) **“Option”** means a Stock Option granted to a Participant pursuant to the Plan;

- (kk) **“Option Exercise Price”** means the price at which a Common Share may be purchased upon the exercise of an Option;
- (ll) **“Option holder”** means a Participant to whom an Option is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Option;
- (mm) **“Participant”** means an eligible person to whom an Award is granted pursuant to the Plan or, if applicable, such other Person who holds an outstanding Award;
- (nn) **“Permitted Reorganization”** means a reorganization of the Corporation Group in circumstances where the shareholdings or ultimate ownership remains substantially the same upon the completion of the reorganization;
- (oo) **“Person”** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, agency and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (pp) **“Plan”** means this Blacksteel Energy Inc. 2021 Equity Incentive Plan, as amended and/or amended and restated from time to time;
- (qq) **“Restricted Award”** means RSU and DSU;
- (rr) **“Restricted Period”** has the meaning set forth in Section 4.7;
- (ss) **“Restricted Share Unit”** or **“RSU”** means a unit designated as a Restricted Share Unit and credited by means of an entry in the books of the Corporation to a Participant pursuant to the Plan, representing a right granted to the Participant pursuant to Section 4.1 to receive a Common Share (either issued from treasury or purchased in the open market) or a cash payment equal to the Settlement Date Share Price that generally becomes vested, if at all;
- (tt) **“Retirement”** or **“Retire”** means, unless otherwise defined in the Participant’s employment agreement, executive agreement or in the applicable Award Agreement, the normal retirement age of the Participant pursuant to the applicable benefit plans and regulations of the jurisdiction of his or her employment or such earlier retirement age, with consent of the Employer, if applicable;
- (uu) **“Sale”** means the sale of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety to any person or entity (other than a wholly owned subsidiary of the Corporation) under circumstances such that, following the completion of such sale, the Corporation will cease to carry on an active business, either directly or indirectly through one or more subsidiaries;
- (vv) **“Securities Act”** means the *Securities Act* (Alberta) as amended;
- (ww) **“Service Year”** has the meaning ascribed to such term in Section 4.3;
- (xx) **“Settlement Date”** has the meaning ascribed to such term in Section 4.8;
- (yy) **“Settlement Date Share Price”** means the closing price of the Common Shares on the trading day prior to the Settlement Date or such date as the context requires;
- (zz) **“Share Unit”** means either an RSU or DSU as the context requires;
- (aaa) **“Stock Option”** means an Option that is designated by the Committee as a stock option that meets the requirements set out in the Plan;

- (bbb) **“Subsidiary”** means any entity that is a “subsidiary” for the purposes of National Instrument 45-106 - *Prospectus Exemptions*, as amended from time to time;
- (ccc) **“Substitute Award”** has the meaning set forth in Section 3.5(d);
- (ddd) **“Substitution Event”** means a Change in Control pursuant to which the Common Shares are converted into, or exchanged for, other property, whether in the form of securities of another Person, cash or otherwise;
- (eee) **“Take-Over Bid”** means a take-over bid, as defined in the Securities Act, which is a “formal bid” as defined in such Act, and which is made: (i) for all of the issued and outstanding Common Shares in the capital of the Corporation; or (ii) for all of the issued and outstanding Common Shares in the capital of the Corporation other than: (a) those Common Shares in the capital of the Corporation, which are then owned by the offeror under such Take-Over Bid; and/or (b) those Common Shares in the capital of the Corporation, which the offeror under such Take-Over Bid then otherwise has, directly or indirectly, the right to acquire;
- (fff) **“Termination Date”** a Participant’s last day of active employment with the Employer (other than in connection with a Participant’s transfer of employment to another Employer within the Corporation Group), regardless of whether the Participant’s termination of employment was lawful, and does not include any period of statutory, contractual, common law or other reasonable notice of termination of employment or any period of salary continuance or deemed employment, or in the case of a Director, the date a director ceases to act a Director of the Corporation;
- (ggg) **“Total Share Reserve”** has the meaning set forth in Section 3.5(a); and
- (hhh) **“Vesting Date”** means the date or dates set out in the Award Agreement on which an Award will vest, or such earlier date as is provided for in the Plan or is determined by the Committee.

### **ARTICLE 3. ADMINISTRATION.**

- 3.1 Authority of Committee. The Plan shall be administered by the Committee or, in the Board’s sole discretion, by the Board. Subject to the terms of the Plan, the Committee’s charter (if any) and Applicable Laws, and in addition to other express powers and authorization conferred by the Plan, the Committee shall have the authority:
- (a) to construe and interpret the Plan and apply its provisions;
  - (b) to promulgate, amend, and rescind rules and regulations relating to the administration of the Plan;
  - (c) to authorize any person to execute, on behalf of the Corporation, any instrument required to carry out the purposes of the Plan;
  - (d) to determine when Awards are to be granted under the Plan and the applicable Grant Date;
  - (e) from time to time to select, subject to the limitations set forth in this Plan, to determine those Participants to whom Awards shall be granted;
  - (f) to determine the number of Common Shares to be made subject to each Award, as applicable;
  - (g) to prescribe the terms and conditions of each Award, including, without limitation, the exercise price and medium of payment and vesting provisions, and to specify the provisions of the Award Agreement relating to such grant;
  - (h) to amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award; provided, however, that if any such amendment impairs a Participant’s rights or increases a Participant’s obligations under his or her Award, such amendment shall also be subject to the Participant’s consent;

- (i) to determine the duration and purpose of leaves of absences that may be granted to a Participant without constituting termination of their employment for purposes of the Plan, which periods shall be no shorter than the periods generally applicable to Employees under the Corporation's employment policies;
- (j) to make decisions with respect to outstanding Awards that may become necessary upon a Change in Control or an event that triggers anti-dilution adjustments;
- (k) to interpret, administer, reconcile any inconsistency, correct any defect and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan;
- (l) subject to Applicable Laws, to delegate to any Director or officer such duties and powers relating to the Plan as it may see fit;
- (m) to seek recommendations from the chairman of the Board or from the Chief Executive Officer of the Corporation;
- (n) to appoint or engage a trustee, custodian or administrator to administer or implement the Plan; and
- (o) to exercise discretion to make any and all other determinations that it determines to be necessary or advisable for the administration of the Plan.

The Committee also may modify the purchase price or the exercise price of any outstanding Award, provided that if the modification effects a repricing, security holder approval shall be required before the repricing is effective.

3.2 Committee Decisions Final. All decisions made by the Committee pursuant to the provisions of the Plan shall be conclusive and binding on the Corporation and the Participants.

3.3 Delegation. The Committee or, if no Committee has been appointed, the Board, may delegate administration of the Plan to a committee or committees of one or more members of the Board, and the term "**Committee**" shall apply to any person or persons to whom such authority has been delegated. The Committee shall have the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board or the Committee shall thereafter be to the committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revert in the Board the administration of the Plan. The members of the Committee shall be appointed by and serve at the pleasure of the Board. From time to time, the Board may increase or decrease the size of the Committee, add additional members to, remove members (with or without cause) from, appoint new members in substitution therefor, and fill vacancies, however caused, in the Committee. The Committee shall act pursuant to a vote of the majority of its members or, in the case of a Committee comprised of only two members, the unanimous consent of its members, whether present or not, or by the written consent of the majority of its members, and minutes shall be kept of all of its meetings and copies thereof shall be provided to the Board. Subject to the limitations prescribed by the Plan and the Board, the Committee may establish and follow such rules and regulations for the conduct of its business as it may determine to be advisable.

3.4 Committee Composition. Except as otherwise determined by the Board, the Committee shall consist solely of at least one independent Director. Within the scope of such authority, the Board or the Committee may delegate to a committee of one or more members of the Board who are not independent Directors the authority to grant Awards to eligible persons. Nothing herein shall create an inference that an Award is not validly granted under the Plan in the event Awards are granted by a compensation committee of the Board that does not at all times consist solely of at least one independent Director.

### 3.5 Shares Subject to the Plan.

- (a) Subject to adjustment in accordance with Section 5.2, no more than 10% of the total issued and outstanding Common Shares from time to time (calculated on a non-diluted basis and not including any Common Shares issuable pursuant to any prior options granted by the Corporation), shall be available for the grant of Awards under the Plan (the “**Total Share Reserve**”). Any Common Shares granted in connection with Options shall be counted against this limit as one (1) share for every one (1) Option awarded. During the terms of the Options, the Corporation shall keep available at all times the number of Common Shares required to satisfy such Options.
- (b) Common Shares available for distribution under the Plan may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Corporation in any manner.
- (c) Any Common Shares subject to an Option that expires or is canceled, forfeited, or terminated without issuance of the full number of Common Shares to which the Option related will again be available for issuance under the Plan. Any Common Shares that again become available for future grants pursuant to this Section 3.5 shall be added back as one (1) share if such shares were subject to Options. Notwithstanding anything to the contrary contained herein, Common Shares subject to an Option under the Plan shall not again be made available for issuance or delivery under the Plan if such Common Shares are (i) tendered in payment of an Option, or (ii) delivered or withheld by the Corporation to satisfy any tax withholding obligation.
- (d) Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Corporation or with which the Corporation combines (“**Substitute Awards**”). Substitute Awards shall not be counted against the Total Share Reserve; provided that, Substitute Awards issued in connection with the assumption of, or in substitution for, outstanding options intended to qualify as Stock Options. Subject to applicable stock exchange requirements, available shares under a security holder approved plan of an entity directly or indirectly acquired by the Corporation or with which the Corporation combines (as appropriately adjusted to reflect such acquisition or transaction) may be used for Awards under the Plan and shall not count toward the Total Share Reserve.

### 3.6 Eligibility.

- (a) Eligibility for Specific Awards. Awards may be granted to Employees, Consultants and Directors of the Corporation and its Affiliates and those other individuals whom the Committee determines are reasonably expected to become Employees, Consultants and Directors following the Grant Date.
- (b) Participation Limits. The grant of Awards under the Plan is subject to the following limitations:
  - (i) no more than 10% of the outstanding Common Shares may be issued under the Plan alone or when combined with all other security-based compensation arrangements of the Corporation in any one-year period;
  - (ii) no more than 5% of the outstanding Common Shares may be issued under the Plan alone or when combined with all other security-based compensation arrangements of the Corporation to any one Participant; and
  - (iii) the number of Common Shares that may be:
    - (A) issued to insiders (as a group) within any one-year period, or
    - (B) issuable to insiders (as a group) at any time, in each case, under this Plan, alone or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed 10% of the outstanding Common Shares.

3.7 Option Provisions. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 3.7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. The provisions of separate Options need not be identical, but each Option shall include the substance of each of the following provisions:

- (a) Term. No Stock Option shall be exercisable after the expiration of ten years from the Grant Date or such shorter period as set out in the Award Agreement (“**Expiry Date**”), at which time such Option will expire. Notwithstanding any other provision of this Plan, each Option that would expire during or within ten Business Days immediately following a Blackout Period shall expire on the date that is ten Business Days immediately following the end of the Blackout Period.
- (b) Exercise Price of a Stock Option. The Option Exercise Price shall be fixed by the Committee on the Grant Date and will not be less than the 100% of the Fair Market Value of the Common Shares as of the Grant Date, subject to all applicable regulatory requirements. The Option Exercise Price shall be stated and payable in Canadian dollars.
- (c) Manner of Exercise. A vested Option or any portion thereof may be exercised by the Option holder by delivering to the Corporation a Notice of Exercise signed by the Option holder or his or her legal personal representative, accompanied by payment in full of the aggregate Option Exercise Price and any Applicable Withholding Taxes in respect of the Option or portion thereof being exercised, payable, to the extent permitted by Applicable Laws, either:
  - (i) in cash or by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Committee; or
  - (ii) in the discretion of the Committee, upon such terms as the Committee shall approve, pursuant to a broker-assisted cashless exercise, whereby the Option holder shall elect on the Notice of Exercise to receive:
    - (A) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the Option (or portion thereof being exercised) by a securities dealer designated by the Corporation, less the aggregate Option Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares;
    - (B) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the Option (or portion thereof being exercised) minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate Option Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares;
    - (C) a combination of (A) and (B); or
    - (D) in any other form of legal consideration that may be acceptable to the Committee.

Subject to Section 3.19, upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised will be duly issued to the Option holder as fully paid and non-assessable, following which the Option holder shall have no further rights, title or interest with respect to such Option or portion thereof.

3.8 Surrender of Option. As an alternative to the exercise of an Option pursuant to Section 3.7, an Option holder shall be entitled, at his or her election, to surrender for cancellation, unexercised, any vested Option that is otherwise then exercisable and, in consideration for such surrender for cancellation, to receive a cash payment

in an amount equal to the positive difference, if any, obtained by subtracting the aggregate Option Exercise Price of the surrendered Option from the then current Fair Market Value of the Common Shares subject to the surrendered Option, less Applicable Withholding Taxes. The Committee has the sole discretion to consent to or disapprove of the election of the Option holder to surrender any vested Option pursuant to this Section 3.8. If the Committee disapproves of the election, the Option holder may (a) exercise the Option under Section 3.7, or (b) retract the request to surrender such Option and retain the Option. If the Committee consents to the election, the Corporation shall make the cash payment to the Option holder in respect of the surrendered Option within 30 days. Any cash payment in accordance with this Section 3.8 shall be payable in Canadian dollars.

- 3.9 Transferability of a Stock Option. A Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Option holder only by the Option holder. Notwithstanding the foregoing, the Option holder may, by delivering written notice to the Corporation, in a form satisfactory to the Corporation, designate a third party who, in the event of the death of the Option holder, shall thereafter be entitled to exercise the Option.
- 3.10 Vesting of Options. The Committee or the Board, as applicable will determine the vesting period for Options granted from time to time under this Plan. No Option may be exercised for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting and exercisability in the terms of any Award Agreement upon the occurrence of a specified event.
- 3.11 Termination of Continuous Service. Unless otherwise determined by the Committee, in its discretion, or as provided in this Section 3.11 or pursuant to the terms provided in an Award Agreement or in an employment agreement, all rights to purchase Common Shares pursuant to an Option or to surrender such Option shall expire and terminate immediately upon the Option holder's Termination Date, whether or not such termination is with or without notice, adequate notice or legal notice, provided that if such employment of the Option holder is terminated for Cause, such rights shall expire and terminate immediately upon notification being given to the Option holder of such termination for Cause.
- 3.12 Extension of Termination Date. An Option holder's Award Agreement may also provide that if the exercise of the Option following the termination of the Option holder's Continuous Service for any reason would be prohibited at any time because the issuance of Common Shares would violate Applicable Laws, then the Option shall terminate on the earlier of (a) the expiration of the term of the Option or (b) the expiration of a period after termination of the Option holder's Continuous Service that is 30 days after the end of the period during which the exercise of the Option would be in violation of such Applicable Laws.
- 3.13 Disability or Leave of Absence. Unless otherwise provided in an Award Agreement, in the event that an Option holder's Continuous Service terminates as a result of Disability or the Option holder is on a Leave of Absence, any Option held by the Option holder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time until the Option's Expiry Date.
- 3.14 Death. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service terminates as a result of the Option holder's death, any Option held by the Option holder shall become fully vested and may be exercised or surrendered by the Beneficiary in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of (a) the Option's Expiry Date and (b) the first anniversary of the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 3.15 Retirement. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service terminates as a result of the Option holder's Retirement, any Option held by the Option holder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date; and (b) the third anniversary of the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

- 3.16 Resignation. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service terminates as a result of the Option holder's voluntary resignation, then:
- (a) the unvested part of any Option held by the Option holder shall expire and terminate immediately on the Option holder's Termination Date; and
  - (b) the vested part of any Option held by the Option holder may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 3.17 Termination Without Cause. Unless otherwise provided in an Award Agreement, in the event an Option holder's Continuous Service is terminated by the Employer for any reason other than for Cause, any Option held by the Option holder shall continue to vest in accordance with its terms and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (a) the Option's Expiry Date and (b) the 30th day after the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.
- 3.18 Termination Following Change in Control. Unless otherwise provided in an Award Agreement, if a Change in Control occurs and the Option holder's employment with the Corporation Group is terminated:
- (a) by the Employer or by the entity that has entered into a valid and binding agreement with the Corporation and/or other members of the Corporation Group to effect the Change in Control at any time after such agreement is entered into or during the Control Period and such termination was for any reason other than for Cause; or
  - (b) by the Option holder as a result of Constructive Dismissal, provided the event giving rise to the Constructive Dismissal occurs during the Control Period;

any Option held by the Option holder shall become fully vested and may be exercised or surrendered in accordance with Section 3.7 or Section 3.8 at any time during the period that terminates on the earlier of: (i) the Option's Expiry Date and (ii) the 30th day after the Option holder's Termination Date. Any Option that remains unexercised or has not been surrendered shall be immediately forfeited upon the termination of such period.

- 3.19 Compliance with Applicable Laws. The Corporation's obligation to issue and deliver Common Shares under the Options are subject to: (a) the completion of such qualification of such Common Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with Applicable Laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. Options may not be granted with a Grant Date or effective date earlier than the date on which all actions required to grant the Options have been completed.

#### **ARTICLE 4. RESTRICTED SHARE UNITS AND DEFERRED SHARE UNITS.**

- 4.1 Restricted Share Units and Vesting. The Committee or the Board, as applicable will determine the vesting period for RSUs granted from time to time under this Plan.

- 4.2 RSU Award Agreement and RSU Account. Each RSU granted by the Committee shall be evidenced by an Award Agreement. An account to be known as the “RSU Account” shall be maintained by the Corporation for each Participant. On the Grant Date, the RSU Account will be credited with RSUs granted to the Participant of that date. RSUs that fail to vest or that are settled in accordance with Section 4.8 shall be cancelled and shall cease to be recorded in the Participant’s RSU Account as of the date on which such RSUs are forfeited or cancelled under this Plan or are settled, as the case may be. Where a Participant has been granted one or more RSUs, such RSUs shall be recorded separately in the Participant’s RSU Account.
- 4.3 RSU Service Year. Unless otherwise provided in the applicable Award Agreement, the Committee shall specify the year of service of the Participant in respect of which the RSU is granted to a Participant (the “**Service Year**”). In all cases, the RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of his or her services to the applicable Employer. No Common Shares shall be issued at the time an RSU is granted, and the Corporation will not be required to set aside funds for the payment of any such Award. A Participant shall have no voting rights with respect to any RSU granted hereunder. Each RSU so granted shall be subject to the conditions set forth in this Section 4.3, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.
- 4.4 Deferred Share Units and Vesting. The Committee may, from time to time, also grant deferred share units (“**DSU**”) to Directors only with a deferral feature, whereby settlement is deferred beyond the vesting date until the occurrence of a future payment date or event as set forth in an Award Agreement. Each DSU shall vest immediately upon the grant of such DSUs but the settlement of the DSUs shall be deferred until the Director ceases to be a director of the Corporation, as applicable (“**DSU Settlement Date**”).
- 4.5 DSU Award Agreement and DSU Account. Each DSU granted by the Committee shall be evidenced by an Award Agreement. An account to be known as the “DSU Account” shall be maintained by the Corporation for each Director. On the Grant Date, the DSU Account will be credited with DSUs granted to the Director of that date. DSUs that fail to vest or that are settled in accordance with Section 4.8 shall be cancelled and shall cease to be recorded in the Director’s DSU Account as of the date on which such DSUs are forfeited or cancelled under this Plan or are settled, as the case may be. Where a Director has been granted one or more DSUs, such DSUs shall be recorded separately in the Director’s DSU Account
- 4.6 Restrictions. RSUs and DSUs are subject to the following restrictions:
- (a) RSUs awarded to any Participant and DSUs awarded to a Director shall be subject to: (i) forfeiture until the expiration of the Restricted Period (as provided below), and satisfaction of any applicable conditions during such period, to the extent provided in the applicable Award Agreement, and to the extent such RSUs or DSUs are forfeited, all rights of the Participant or the Director, as applicable, to such RSUs or DSUs shall terminate without further obligation on the part of the Corporation; and (ii) such other terms and conditions as may be set forth in the applicable Award Agreement.
  - (b) The Committee shall have the authority to remove any or all of the restrictions on the RSUs and DSUs whenever it may determine that such action is appropriate.
- 4.7 Restricted Period. Subject to the terms of any employment agreement or executive agreement between the Participant and the Employer, or the Committee expressly providing to the contrary, a Participant’s RSUs shall vest on the Vesting Date(s). No such Vesting Date shall extend beyond three years from the Grant Date and all vesting conditions shall be such that the RSUs comply with the exception to the definition of “salary deferral arrangement” contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto. With respect to Restricted Awards, the Restricted Period shall commence on the Grant Date and end at the time or times set forth on a schedule established by the Committee in the applicable Award Agreement. No Restricted Award may be granted or settled for a fraction of a Common Share. The Committee may, but shall not be required to, provide for an acceleration of vesting in the terms of any Award Agreement upon the occurrence of a specified event.

- 4.8 Settlement of RSUs and DSUs. On or within 60 days following the Vesting Date of a RSU (and in any event, no later than December 31 of the third year following the year in respect of which the RSU is granted) (the “**RSU Settlement Date**”) or the DSU Settlement Date (the RSU Settlement Date and the DSU Settlement Date, collectively, the “**Settlement Date**”), and subject Section 5.1(e), the Corporation shall (i) issue to Participant or Beneficiary, as applicable, from treasury the number of Common Shares that is equal to the number of vested Share Units held by the Participant as at the Settlement Date (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares, (ii) deliver, or cause to be delivered, to the Participant or Beneficiary, as applicable, Common Shares purchased in the open market equal to the number of vested Share Units held by the Participant as of the Settlement Date (rounded down to the nearest whole number), (iii) deliver to the Participant, or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant as at the Settlement Date multiplied by the Settlement Date Share Price, or (iv) a combination of (i), (ii) and (iii). Notwithstanding the foregoing, if a Participant’s Termination Date occurs prior to any applicable Settlement Date, the Share Units shall be settled by the Corporation by delivering to the Participant, Director or Beneficiary, as applicable, an amount in cash (net of Applicable Withholding Taxes) equal to the number of vested Share Units held by the Participant or the Director as at the Termination Date multiplied by the Settlement Date Share Price as at the Termination Date. Upon settlement of such Share Units, the corresponding number of Share Units credited to the Participant’s or Director’s RSU or DSU Account, as the case may be, shall be cancelled and the Participant, Director or Beneficiary, as applicable shall have no further rights, title or interest with respect thereto. Upon the expiration of the Restricted Period with respect to any outstanding RSUs, or at the expiration of the deferral period with respect to any outstanding DSUs, the Corporation shall deliver to the Participant, Director or his or her beneficiary, without charge, one Common Share for each such outstanding vested RSU or DSU (“**Vested Unit**”); provided, however, that if explicitly provided in the applicable Award Agreement, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Shares in lieu of delivering only Common Shares for Vested Units. If a cash payment is made in lieu of delivering Common Shares, the amount of such payment shall be (net of Applicable Withholding Taxes) equal to the Settlement Date Share Price as of the date on which the Restricted Period lapsed in the case of RSUs, or the delivery date in the case of DSUs.

## ARTICLE 5. MISCELLANEOUS

### 5.1 Miscellaneous.

- (a) Acceleration of Exercisability and Vesting. The Committee shall have the power to accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest in accordance with the Plan, notwithstanding the provisions in the Award stating the time at which it may first be exercised or the time during which it will vest.
- (b) Shareholder Rights. Except as provided in the Plan or an Award Agreement, no Participant shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to such Award unless and until such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Common Share certificate is issued, except as provided in Section 5.2 hereof.
- (c) No Employment or Other Service Rights. Nothing in the Plan or any instrument executed or Award granted pursuant thereto shall confer upon any Participant any right to continue to serve the Corporation or an Affiliate in the capacity in effect at the time the Award was granted or shall affect the right of the Corporation or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without Cause or (ii) the service of a Director pursuant to the By-Laws of the Corporation or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Corporation or the Affiliate is incorporated, as the case may be.
- (d) Transfer; Leave of Absence. For purposes of the Plan, no termination of employment by an Employee shall be deemed to result from either (i) a transfer of employment to the Corporation from

an Affiliate or from the Corporation to an Affiliate, or from one Affiliate to another, or (ii) a Leave of Absence, if the Employee's right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the Leave of Absence was granted or if the Committee otherwise so provides in writing.

- (e) Withholding Obligations. It is the responsibility of the Participant to complete and file any tax returns that may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. Notwithstanding any other provision of this Plan, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Common Shares or other property pursuant to this Plan. In connection with the issuance of Common Shares pursuant to this Plan, a Participant shall, at the Participant's discretion:
- (i) pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;
  - (ii) authorize a securities dealer designated by the Corporation, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
  - (iii) make other arrangements acceptable to the Corporation to fund the Applicable Withholding Taxes.

5.2 Adjustments upon Changes in Capital. In the event of any stock dividend, stock split, combination or exchange of shares, merger, amalgamation, arrangement, consolidation, reclassification, spin-off or other distribution (other than normal cash dividends) of the Corporation's assets to shareholders, or any other change in the capital of the Corporation affecting Common Shares, the Board will make such proportionate adjustments, if any, as the Board in its discretion deems appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to: (a) the maximum number of Common Shares subject to all Awards stated in Section 3.5; (b) the maximum number of Common Shares with respect to which any one person may be granted Awards during any period stated in this Plan; (c) the number or kind of shares or other securities subject to any outstanding Awards; (d) the Exercise Price of any outstanding Options; (e) the number of Share Units in the Participants' Share Unit Accounts; and (f) the vesting of RSUs and DSUs provided, however, that no adjustment will obligate the Corporation to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all adjustments made pursuant to this Section 5.2 shall be made in compliance with the ITA and subject to the rules of the Exchange, to the extent applicable. The Corporation shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

5.3 Effect of Change in Control.

- (a) Unless otherwise provided in an Award Agreement, notwithstanding any provision of the Plan to the contrary, in the event of a Change in Control that is not a Substitution Event or Permitted Reorganization, all outstanding Options shall become immediately exercisable with respect to 100% of the Common Shares subject to such Options, and/or the Restricted Period shall expire immediately with respect to 100% of the outstanding RSUs and DSUs.
- (b) Substitution Event or a Permitted Reorganization. Upon the occurrence of a Substitution Event or a Permitted Reorganization, the surviving or acquiring entity (the "**Continuing Entity**") shall, to the extent commercially reasonable, take all necessary steps to continue the Plan and to continue the Awards granted hereunder or to substitute or replace similar options or share units, as applicable for the Options and Share Units outstanding under the Plan on substantially the same terms and conditions as the Plan. For greater certainty, no consideration other than Continuing Entity options shall be received and the excess of the aggregate fair market value of the securities of the Continuing Entity subject to the Continuing Entity options immediately after the substitution or replacement

over the aggregate exercise price of such securities under the Continuing Entity options shall not exceed the excess of the aggregate Fair Market Value of the Common Shares subject to the outstanding Options immediately before such substitution or replacement over the aggregate Exercise Price of such Common Shares. Any such adjustment, substitution or replacement in respect of options shall, at all times, be made in compliance with the provisions the ITA. Any such adjustment, substitution or replacement in respect of Share Units shall, at all times, be such that the Plan and any Share Units granted hereunder comply with the exception to the definition of “salary deferral arrangement” contained in paragraph (k) of section 248(1) of the ITA or any successor provision thereto.

In the event that:

- (i) the Continuing Entity does not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not) comply with the provisions of this Section 5.3;
- (ii) the Board determines, acting reasonably, that such substitution or replacement is not practicable;
- (iii) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results, under the ITA; or
- (iv) the securities of the Continuing Entity are not (or, upon the occurrence of the Substitution Event or Permitted Reorganization, will not be) listed and posted for trading on a recognizable stock exchange;

the outstanding Options shall become fully vested and may be exercised or surrendered by the Participant at any time after the Participant receives written notice from the Board of such accelerated vesting and prior to the occurrence of the Substitution Event or Permitted Reorganization; provided, however, that such vesting, exercise or surrender shall be, unless otherwise determined in advance by the Board, effective immediately prior to, and shall be conditional on, the consummation of such Substitution Event or Permitted Reorganization. Any Options that have not been exercised or surrendered pursuant to this section shall be forfeited and cancelled without compensation to the holder thereof upon the consummation of such Substitution Event or Permitted Reorganization. Unless otherwise determined by the Board prior to the date of the Substitution Event or Permitted Reorganization, as applicable, upon such Substitution Event or Permitted Reorganization, a pro rata proportion of the RSUs or DSUs credited to a Participant’s or Director’s Share Unit Account, which did not vest on or prior to the date of the Substitution Event or Permitted Reorganization, shall vest in accordance with the RSU and DSU vesting provisions, respectively, on the basis that the references to “Change of Control” in the RSU and DSU vesting provisions, respectively shall be read as “Substitution Event or Permitted Reorganization, as applicable”. Any Share Units that have been credited to a Share Unit Account of a Participant or Director to whom this Section 5.3 applies and that do not vest pursuant to this Section 5.3 shall be terminated and forfeited. Notwithstanding any other provision of the Plan, in the event that Share Units vest, as contemplated in this Section 5.3, the Board may by resolution determine that the “Settlement Date Share Price” with respect to such Share Units shall be the price per Common Share offered or provided for in the Substitution Event or Permitted Reorganization, as applicable.

- (c) The obligations of the Corporation under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Corporation, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of the Corporation and its Affiliates, taken as a whole.
- (d) In addition, in the event of a Change in Control, the Committee may in its discretion and upon at least ten days’ advance notice to the affected persons, cancel any outstanding Awards and pay to the holders thereof, in cash or stock, or any combination thereof, the value of such Awards based upon the price per Common Share received or to be received by other shareholders of the Corporation in the event. In the case of any Option with an exercise price that equals or exceeds the

price paid for a Common Share in connection with the Change in Control, the Committee may cancel the Option without the payment of consideration for it.

5.4 Amendment of the Plan and Awards.

- (a) Amendment of Plan and Awards. The Board at any time, and from time to time, may amend or suspend any provision of an Award or the Plan, or terminate the Plan, subject to those provisions of Applicable Laws (including, without limitation, the rules, regulations and policies of the Exchange), if any, that require the approval of security holders or any governmental or regulatory body regardless of whether any such amendment or suspension is material, fundamental or otherwise, and notwithstanding any rule of common law or equity to the contrary.
- (i) Without limiting the generality of the foregoing, the Board may make the following types of amendments to this Plan or any Awards without seeking security holder approval:
- (A) amendments of a “housekeeping” or administrative nature, including any amendment for the purpose of curing any ambiguity, error or omission in this Plan, or to correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan;
  - (B) amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules, regulations and policies of the Exchange);
  - (C) amendments necessary for Awards to qualify for favourable treatment under applicable tax laws;
  - (D) amendments to the vesting provisions of this Plan or any Award;
  - (E) amendments to include or modify a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Plan maximum;
  - (F) amendments to the termination or early termination provisions of this Plan or any Award, whether or not such Award is held by an insider, provided such amendment does not entail an extension beyond the original expiry date of the Award; and
  - (G) amendments necessary to suspend or terminate this Plan.
- (ii) Security holder approval will be required for the following types of amendments:
- (A) any amendment to increase the maximum number of Common Shares issuable under this Plan, other than pursuant to Section 5.2;
  - (B) any amendment to this Plan that increases the length of the period after a Blackout Period during which Options may be exercised;
  - (C) any amendment that would result in the Exercise Price for any Option granted under this Plan being lower than the Fair Market Value at the Grant Date of the Option;
  - (D) any amendment to remove or to exceed the insider participation limit set out in Section 3.6(b)(iii);

- (E) any amendment that reduces the Exercise Price of an Option or permits the cancellation and reissuance of an Option or other entitlement, in each case, other than pursuant to Section 5.2, Section 5.3(a), or Section 5.3(b);
  - (F) any amendment extending the term of an Option beyond the original Expiry Date, except as provided in Section 3.7(a);
  - (G) any amendment to the amendment provisions;
  - (H) any amendment that would allow for the transfer or assignment of Awards under this Plan, other than for normal estate settlement purposes; and
  - (I) amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the Exchange).
- (b) No Impairment of Rights. Except as expressly set forth herein or as required pursuant to Applicable Laws, no action of the Board or security holders may materially adversely alter or impair the rights of a Participant under any Award previously granted to the Participant unless (i) the Corporation requests the consent of the Participant and (ii) the Participant consents in writing.

## **ARTICLE 6. GENERAL PROVISIONS**

### 6.1 General Provisions.

- (a) Forfeiture Events. The Committee may specify in an Award Agreement that the Participant's rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, in addition to applicable vesting conditions of an Award. Such events may include, without limitation, breach of non-competition, non-solicitation, confidentiality, or other restrictive covenants that are contained in the Award Agreement or otherwise applicable to the Participant, a termination of the Participant's Continuous Service for Cause, or other conduct by the Participant that is detrimental to the business or reputation of the Corporation and/or its Affiliates.
- (b) Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to any required regulatory or security-holder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.
- (c) Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying Applicable Laws of various jurisdictions in which the Corporation intends to grant Awards. Any sub-plans shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable. All sub-plans shall be deemed a part of the Plan, but each sub-plan shall apply only to the Participants in the jurisdiction for which the sub-plan was designed.
- (d) Unfunded Plan. The Plan shall be unfunded. Neither the Corporation, the Board nor the Committee shall be required to establish any special or separate fund or to segregate any assets to assure the performance of its obligations under the Plan.
- (e) Recapitalizations. Each Award Agreement shall contain provisions required to reflect the provisions of Section 5.2.
- (f) Delivery. Upon exercise of a right granted under this Plan, the Corporation shall issue Common Shares or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory or regulatory obligations the Corporation may otherwise have, for purposes of this Plan, 30 days shall be considered a reasonable period of time.

- (g) No Fractional Shares. No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Committee shall determine whether cash, additional Awards or other securities or property shall be issued or paid in lieu of fractional Common Shares or whether any fractional shares should be rounded, forfeited or otherwise eliminated.
- (h) Other Provisions. The Award Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Awards, as the Committee may deem advisable.
- (i) Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries by whom any right under the Plan is to be exercised in case of such Participant's death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee and shall be effective only when filed by the Participant in writing with the Corporation during the Participant's lifetime.
- (j) Expenses. The costs of administering the Plan shall be paid by the Corporation.
- (k) Severability. The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.
- (l) Plan Headings. The headings in the Plan are for purposes of convenience only and are not intended to define or limit the construction of the provisions hereof.
- (m) Non-Uniform Treatment. The Committee's determinations under the Plan need not be uniform and may be made by it selectively among persons who are eligible to receive, or actually receive, Awards. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter into non-uniform and selective Award Agreements.
- (n) Participant Information.
  - (i) As a condition of participating in the Plan, each Participant agrees to comply with all such Applicable Laws and agrees to furnish to the Corporation all information and undertakings as may be required to permit compliance with such Applicable Laws. Each Participant shall provide the Corporation with all information (including personal information) required in order to administer the Plan (the "**Participant Information**").
  - (ii) The Corporation may from time to time transfer or provide access to Participant Information to a third-party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Corporation in connection with the operation and administration of the Plan. The Corporation may also transfer and provide access to Participant Information to the Employers for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided and agrees and consents to its provision on the terms set forth herein. The Corporation shall not disclose Participant Information except (a) as contemplated above in this Section 6.1(n), (b) in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body, or (c) for the purpose of complying with a subpoena, warrant or other order by a court, Person or body having jurisdiction over the Corporation to compel production of the information.
- (o) Priority of Agreements. In the event of any inconsistency or conflict between the provisions of the Plan and any Award Agreement, the provisions of the Plan shall prevail. In the event of any

inconsistency or conflict between the provisions of the Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Employer, on the other hand, the provisions of the employment agreement shall prevail.

- 6.2 Effective Date of Plan. The Plan shall become effective as of the Effective Date. This Plan applies to Awards granted hereunder on and after the Effective Date.
- 6.3 Termination or Suspension of the Plan. The Board may suspend or terminate the Plan at any earlier date pursuant to Section 5.4 hereof. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated, but Awards already granted may extend beyond that date.
- 6.4 Governing Law. The Plan shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

As adopted by the Board of Directors of Blacksteel Energy Inc.

**SCHEDULE "B"**  
**CHARTER OF THE AUDIT COMMITTEE**

**(See attached)**

## **AUDIT COMMITTEE MANDATE**

*The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Blacksteel Energy Inc. ("Corporation") shall have the oversight responsibility, authority and specific duties as described below.*

### **1. COMPOSITION INDEPENDENCE**

The Committee shall be comprised of three or more directors as determined by the Board. The members shall be independent as determined by applicable regulatory requirements.

All members of the Committee shall have a working familiarity with basic finance and accounting practices and shall have the ability to read and understand the financial statements of the Corporation and the accounting issues raised therein and at least one member of the Committee shall have accounting or related financial management expertise.

Members of the Committee shall be appointed by the Board and shall serve until their successors are duly appointed. The Chair of the Committee may be designated by the members of the Committee.

### **2. RESPONSIBILITY**

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of the annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) the Corporation's compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the system of internal accounting and financial reporting controls that management has established; and, (v) performance of the external audit process and the independent auditor. The Committee shall also prepare such reports as are required to be prepared by it by applicable securities law. In addition, the Committee provides an avenue for communication between each of the independent auditors, financial and senior management and the Board. The Committee shall have a clear understanding with the independent auditors that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the independent auditors is to the Committee, as representatives of the shareholders. The Committee shall make regular reports to the Board concerning its activities. The Committee, in its capacity as a committee of the Board, subject to shareholder approval requirements, is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditors.

The Committee shall make regular reports to the Board concerning its activities.

### **3. MEETINGS**

The Committee shall meet at least four (4) times annually and as many additional times as the Committee deems necessary to carry out its duties effectively. The Committee shall meet in separate sessions with management and the independent auditors at each regularly scheduled meeting.

### **4. SPECIFIC DUTIES**

To carry out its oversight responsibilities, the Committee shall:

#### **1. Audit Specific Duties**

##### *(i) Auditor Qualifications and Selection*

1. Subject to applicable law requiring shareholder approval of auditors, be solely

responsible for selecting, retaining, compensating, overseeing and, where necessary, terminating the independent auditors, who shall be registered with the Canadian Public Accountability Board. The independent auditor shall be required to report directly to the Committee. The Committee shall be entitled to adequate funding from the Corporation for the purpose of compensating the independent auditor for completing an audit and audit report.

2. Evaluate the independent auditor's qualifications, performance and independence. As part of that evaluation, at least annually obtain and review a report by the independent auditor describing: the firm's (auditor's) internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditor's independence) all relationships between the independent auditor and the Corporation; and ensure that the independent auditors do not provide non-audit services that would disqualify them as independent under applicable regulations.
3. Review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor; ensure that the lead audit partner of the independent auditor is replaced periodically, in accordance with regulatory requirements applicable to the Corporation; recommend to the Board guidelines for the Corporation's hiring of senior employees and former employees of the independent auditor who were engaged on the Corporation's account.

(ii) *Audit Process*

1. Pre-approve all auditing services; subject to applicable securities laws, pre-approve the retention of the independent auditor for any significant non-audit services permitted under applicable securities law and the fee for such services. All pre-approvals of such non-audit services shall be disclosed as required by applicable securities law. The Committee may delegate to one or more of its members the authority to grant pre-approvals required hereunder provided that any pre-approvals so granted are presented in writing to the Committee at the next regularly scheduled meeting.
2. Meet with the independent auditor prior to the audit to review the scope and general extent of the independent auditor's annual audit including the planning and staffing of the audit. This review should include an explanation from the independent auditors of the factors considered by the auditors in determining their audit scope, including the major risk factors.
3. Require the independent auditor to provide a timely report setting forth (i) all critical accounting policies, significant accounting judgments and practices to be used; (ii) all alternative treatments of financial information within Generally Accepted Accounting Principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor; and, (iii) other material written communications between the independent auditor and management.
4. Upon completion of the annual audit, review the following with management

and the independent auditors:

- (a) The annual financial statements including related footnotes and the MD&A to be included in the Corporation's annual report to shareholders or included in the Corporation's Annual Information Form.
  - (b) The significant accounting judgements and reporting principles, practices and procedures applied by the Corporation in preparing its financial statements including any newly adopted accounting policies and the reasons for their adoption.
  - (c) The results of the audit of the financial statements and the related audit report thereon. The independent auditors should confirm to the Committee that no limitations were placed on the scope or nature of their audit procedures.
  - (d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the independent auditors to issue a non-standard report on the Corporation's financial statements.
  - (e) The co-operation received by the independent auditors during their audit, including access to all requested records, data and information.
  - (f) Any other matters not described above that are required to be communicated by the independent auditors to the Committee pursuant to Auditing Standards.
5. Generally, as part of the review of the annual financial statements, receive an oral report(s), at least annually, concerning legal and regulatory matters that may have a material impact on the financial statements. Discuss major financial risk exposures and steps management has taken to monitor and control such exposures.

## **2. Ongoing Duties**

- 1. Review and reassess the adequacy of this Mandate periodically and recommend any proposed changes to the Board for approval.
- 2. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditor, or the performance of the internal audit function.
- 3. Discuss the types of information that it is appropriate for the Corporation to disclose in earnings press releases or other earnings guidance. Review with management and the Corporation's independent auditors all quarterly financial statements and MD&A prior to the filing of such reports with the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including the results of the

independent auditor's reviews of the quarterly financial statements, significant adjustments, new accounting policies, and any disagreements between the independent auditors and management. The Chair of the Committee may represent the entire Committee for purposes of this review.

4. The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties.
5. Perform any other activities consistent with this Mandate, the Corporation's By-Laws and applicable law, as the Committee or the Board deems necessary or appropriate.

### **3. Internal Control Supervision Duties**

1. Review with the Corporation's management and the independent auditors the Corporation's internal accounting and financial reporting controls, any significant deficiencies in them and any proposed major changes to them.
2. Review with management, the Chief Financial Officer and the independent auditors the methods used to establish and monitor the Corporation's policies with respect to unethical or illegal activities by Corporation employees that may have a material impact on the financial statements.
3. Meet with management and the independent auditors to discuss any relevant significant recommendations that the independent auditors may have, particularly those characterized as "material" or "serious".
4. Review the appointment of the senior accounting executive.
5. Review with management any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
6. Review with management and the independent auditor any off-balance sheet financing mechanisms, transactions or obligations of the Corporation.
7. Review with management and the independent auditor any related party transactions.
8. Establish, implement and, as necessary, revise the procedures for (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, financial reporting controls, or auditing matters; and, (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
9. Review with the independent auditors the quality of the Corporation's accounting personnel; review with management the responsiveness of the independent auditors to the Corporation's needs.

#### **4. Regulatory Compliance Duties**

1. Prepare the necessary disclosure regarding the Committee and its duties and action as is required under applicable regulatory policy.
2. Prepare such reports as are required to be prepared by the Committee pursuant to applicable securities law.

**APPENDIX “C”**  
**Section 191 of the Business Corporations Act (Alberta)**

**Shareholder’s right to dissent**

**191(1)** Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
- (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

**(3)** In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**(5)** A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2) (a) at or before any meeting of shareholders at which the resolution is to be voted on, or (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder’s right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder’s right to dissent.

**(6)** An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5), to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(7)** If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

**(8)** Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

**(9)** Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

**(10)** A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

**(11)** A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

**(12)** In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

**(13)** On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(14) On**

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13), whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

**(15)** Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

**(16)** Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution, and in either event proceedings under this section shall be discontinued.

**(17)** The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

**(18)** If subsection (20) applies, the corporation shall, within 10 days after (a) the pronouncement of an order under subsection (13), or (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares, notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**(19)** Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**(20)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

RSA 2000 cB-9 s191;2005 c40 s7;2009 c53 s3