



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

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**FOR A MEETING OF THE SHAREHOLDERS TO BE HELD ON  
SEPTEMBER 20, 2023**

**August 4, 2023**



**ROK RESOURCES INC.  
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of ROK Resources Inc. (the “**Corporation**”) will be held in the conference room of the Altius Centre, 2<sup>nd</sup> Floor, 500– 4<sup>th</sup> Avenue SW, Calgary, Alberta, on Wednesday, September 20, 2023, at the hour of 10:00 a.m. (Calgary time) and by Zoom videoconferencing using the following log in information: Login ID: 244 663 0137, password ROK2023, for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2022, together with the auditors’ report and the report of the Board of Directors thereon;
2. to fix the number of directors of the Corporation at six (6);
3. to elect directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Directors to fix the remuneration thereof;
5. to consider and, if deemed advisable, to approve, with or without variation, a special resolution (the “**Special Resolution**”) to amend the articles of the Corporation (the “**Articles**”) to amend the terms of the class B common shares such that the holders thereof will only be entitled to one (1) vote per share at a meeting of the Corporation’s shareholders and otherwise with identical rights, privileges, restrictions and conditions to the current class B common shares of the Corporation;
6. to consider and, if deemed advisable, approve, with or without variation, an ordinary resolution approving the existing stock option plan for the Corporation, the full text of which is set forth in the Management Information Circular accompanying this Notice; and
7. to transact such further and other business as may be properly brought before the Meeting or any adjournment thereof.

Every registered holder of Common Shares of the Corporation at the close of business on August 4, 2023 (the “**Record Date**”) is entitled to receive notice of, and to vote their Common Shares at the Meeting. The specific details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice, which Management Information Circular forms part of this Notice.

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting are requested to complete, sign and deliver the enclosed form of proxy to the attention of the Secretary of the Corporation, c/o Odyssey Trust Company, Suite 702 - 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof. Further instructions with respect to the voting by proxy are provided in the form of proxy and in the Management Information Circular accompanying this Notice.**

Shareholders may beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary (“**Non-Registered Shareholders**”). **Without specific instructions, intermediaries are prohibited from voting shares for their clients.** If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according

to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or its agent, to ensure that they are able to provide voting instruction on your behalf.

DATED at Regina, Saskatchewan this 4<sup>th</sup> day of August, 2023.

By Order of the Board of Directors  
of ROK Resources Inc.

(signed) "*Cameron Taylor*" \_\_\_\_\_

Cameron Taylor

Chief Executive Officer and Chairman of the Board of  
Directors

**ROK RESOURCES INC.**  
1911 Broad Street  
Regina, SK S4P 1Y1  
Telephone: 306-522-0011

**MANAGEMENT PROXY CIRCULAR**  
as at August 4, 2023

**This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of ROK Resources Inc. (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of its shareholders (the “Shareholders”) to be held on Wednesday, September 20, 2023, at 10:00 a.m. (MST), in the conference room of the Altius Centre, 2<sup>nd</sup> Floor, 500– 4<sup>th</sup> Avenue SW, Calgary, Alberta, and by Zoom videoconference using the following login details: Login ID: 244 663 0137, password ROK2023 and at any adjournment thereof, for the purposes set forth in the accompanying notice of the Meeting.**

In this Circular, references to the “Corporation” refer to ROK Resources Inc. “Common Shares” means class “B” common shares in the capital of the Corporation (the “Common Shares”), being the only shares in the capital of the Corporation which are currently outstanding. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders. Unless otherwise stated, financial figures within this Circular are presented in Canadian dollars.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. The Corporation has arranged for intermediaries to forward the meeting materials to beneficial owners of Common Shares held as of record by those intermediaries and may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and/or directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by any of the following options:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Odyssey Trust Company (“**Odyssey**”), by fax at 1-800-517-4553, by e-mail at [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com) or by mail or by hand to Suite 702 - 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department; or
- (b) using the internet through the website of the Corporation’s transfer agent, Odyssey, at [www.https://login.odysseytrust.com/pxlogin](http://www.https://login.odysseytrust.com/pxlogin). Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's twelve digit control number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Board of Directors (the “**Board**” or “**Board of Directors**”) of the Corporation at its discretion without notice.

### **Beneficial Shareholders**

**The information in this section is of significant importance to shareholders who do not hold Common Shares in their own name.** Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares).

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

Non-Registered Shareholders should carefully follow the instructions of their broker or intermediary in order to ensure that their Common Shares are voted at the Meeting.

The form of proxy that will be supplied by your broker, or Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the case of non-objecting beneficial owners (“**NOBOs**”), will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge in the United States and in Canada. Broadridge will mail a voter instruction form (“**VIF**”) in lieu of a Proxy provided by the Corporation. The VIF will name the same persons as the Corporation’s Proxy to represent you at the Meeting, You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation) other than the persons designated in the VIF to represent the Beneficial Shareholder at the Meeting. To exercise this right, you should insert the name of your desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge as the case may be, by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with the instructions set forth therein. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge you cannot use it to vote Common Shares directly at the Meeting - the VIF must be returned to Broadridge in accordance with their instructions, well in advance of the Meeting in order to have your Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, you should enter your own name in the blank space on the VIF provided to you and return the same to your broker in accordance with the instructions provided by your broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send to you a legal proxy which would enable you to attend at the Meeting and vote your Common Shares.

## **BENEFICIAL SHAREHOLDER VOTING**

### **Notice and Access**

The Corporation has elected to use the notice-and-access model to deliver the Meeting materials to Beneficial Shareholders. Under Notice-and-Access, Beneficial Shareholders still receive a proxy or voting instruction form enabling them to vote at the Meeting. However, instead of a paper copy of this Information Circular and other Meeting materials, Beneficial Shareholders receive a notice with information on how they may access such materials electronically. To deliver the materials in this manner, the Corporation has provided all of the Beneficial Shareholders with a Notice-and-Access Notice and has posted the Meeting materials with its public filings on SEDAR at [www.sedar.com](http://www.sedar.com) and at <https://rokresources.ca/investor-resources/info-circular-events/>. The Corporation will mail paper copies of the Meeting materials to any shareholder who previously requested paper copies. Requests should be submitted as set out below.

The Corporation's annual report for its 2022 fiscal year contains the Corporation's audited annual consolidated financial statements and management's discussion and analysis ("MD&A") for the fiscal year ended December 31, 2022. The Corporation will provide copies of all proxy-related materials, including its annual report and/or this Information Circular, free of charge, to any shareholder, upon request.

**Any Beneficial Shareholder who wishes to receive a paper copy of the proxy-related materials should contact the Corporation's Transfer agent, Odyssey Trust Company by calling 1 (888) 290-1175 (or direct dial from outside of North America: 1 (587) 885-0960) or by emailing Investor Services at [shareholders@odysseytrust.com](mailto:shareholders@odysseytrust.com).** If materials are requested before the Meeting, the Information Circular will be sent at no charge within three (3) business days of receiving the request. To receive the Information Circular before the voting deadline for the Meeting of 10:00 a.m. (Calgary time) on Monday, September 18, 2023, the request must be received no later than September 6, 2023. Please note that another form of proxy or voting instruction form will not be sent, so Shareholders are requested to keep the form received with the Notice. In order to ensure that a paper copy of the proxy-related materials can be delivered to a requesting shareholder in time for such shareholder to review the proxy-related materials and return a form of proxy or voting instruction form prior to the deadline, it is strongly suggested that shareholders ensure their requests are received no later than September 6, 2023.

The proxy-related materials will be available on Odyssey Trust Company's website at <https://odysseytrust.com/client/rok-resources-inc/>, on or about August 11, 2023, and will remain on the website for one full year thereafter. The proxy-related materials will also be available under the Corporation's public filings on SEDAR at [www.sedar.com](http://www.sedar.com).

If you have questions or require assistance with voting, please contact the Corporation's transfer agent:

**Odyssey Trust Company**  
**Suite 702 - 67 Yonge Street, Toronto, Ontario, M5E 1J8, Attention: Proxy Department**  
e-mail: [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com)  
Toll Free: 1 (888) 290-1175  
T: 1 (587) 885-0960 F: 1 (800) 517-4553

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Odyssey Trust Company to the attention of the Corporate Secretary of the Corporation at EnerNext Counsel, Suite 1620, 444 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 2T8, at any time up to and including the last

business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or

- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

#### **NOTICE TO SHAREHOLDERS IN THE UNITED STATES**

The Corporation is a company existing under the laws of Canada and headquartered in the Provinces of Saskatchewan and Alberta. Shareholders should be aware that disclosure requirements under Canadian securities laws may be different from such requirements under U.S. securities laws. Shareholders should also be aware that other requirements under the laws of Saskatchewan, Alberta and Canada may differ from requirements under U.S. corporate and securities laws.

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

Except as otherwise set forth herein, no director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may otherwise be set out herein. Peter Yates, a director of the Corporation and a nominee for re-election, is a director and officer of EnerNEXT Counsel, legal counsel to the Corporation. EnerNEXT Counsel receives fees from the Corporation for legal services provided to the Corporation and passes these fees on to Mr. Yates.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation has fixed August 4, 2023 as the record date (the "**Record Date**") for determination of persons entitled to notice of and to vote at the Meeting and at any adjournment thereof, except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting not later than 10 days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting.

As of August 4, 2023, there were 214,873,217 Common Shares issued and outstanding, each carrying the right to two votes per Common Share. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors or executive officers of the Corporation, no person beneficially owns, directly or indirectly, controls or directs voting shares carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, as at the date hereof.

#### **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for year ended December 31, 2022, and the report of the auditor thereon will be placed before the Meeting. Additional copies may be obtained from the Chief Financial Officer of the Corporation upon request and will be available at the Meeting.

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein, except for any resolution labelled as a special resolution, which requires an affirmative vote of 66 2/3% of the votes cast in person or by proxy at the Meeting. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.



## QUORUM

Quorum for the transaction of business at the Meeting, irrespective of the number of persons actually present at the Meeting, shall be one person present in person being a shareholder entitled to vote at the Meeting or a duly appointed representative or proxyholder for an absent shareholder entitled to vote at the Meeting.

## ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of one and a maximum of 9. Under the *Canada Business Corporations Act* (“CBCA”) all distributing companies must have a minimum of three directors. The term of office of each of the six (6) current directors will end at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected. Shareholders will therefore be asked to consider and, if thought fit, to pass the following ordinary resolution:

“**BE IT RESOLVED THAT** the number of directors of the Corporation to be elected at the Meeting be and is hereby fixed at six (6).”

**Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote such proxies in favour of a resolution fixing the number of directors to be elected at the Meeting at six (6).**

### Management Nominees

The following table sets out the names of management’s six nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date. **Management recommends that Shareholders vote for the nominees set forth below.**

Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed <sup>(4)</sup>
Cameron Taylor <sup>(1)(3)</sup> Wolseley, Saskatchewan Director November 28, 2019	Mr. Taylor is a geoscientist with over 30 years of experience in oil & gas exploration and development. Since graduating with a BSc. in Geophysics in 1988, he has worked the Williston Basin, Foothills, deep Devonian and heavy oil exploration within Canada. From November 2004 to the present, Mr. Taylor has served as a director of Pan Orient Energy, an international oil and gas exploration company with activities in Thailand, Indonesia and Canada. From September 2015 to the present, Mr. Taylor has served as a director of Burgess Creek Exploration, a private oil company with operations focused in SE Saskatchewan. Mr. Taylor served as President and CEO of Villanova4 Oil Corp. from April 2013 to October 2014, Villanova Oil Corp. from May 2010 to April 2013 and Villanova Resources Inc. from January 2009 to May 2010. All three were private oil companies with operations focused in SE Saskatchewan.	10,560,410
David Hergenhein <sup>(1)(2)</sup> Calgary, Alberta Director May 26, 2016	Mr. Hergenhein, an independent director, has 16 years of public accounting and financial reporting experience, including four years with Deloitte & Touche LLP. Mr. Hergenhein is a Chartered Professional Accountant (CPA) and has provided financial management services for several international junior oil and gas exploration companies. Mr. Hergenhein holds a Bachelor of Commerce degree from the University of Calgary.	735,600
Peter Yates <sup>(2)(3)</sup> Calgary, Alberta Director February 6, 2015	Consultant/Lawyer with EnerNext Counsel since August 2017. Associate at Field LLP in the corporate/securities department from November, 2015 until August 2017. Prior thereto, Partner in the securities/corporate finance group at Dentons Canada LLP (formerly Fraser Milner Casgrain LLP) from May 2012 to October 2015. Formerly an Associate in the securities, corporate finance and mergers and acquisitions group with Heenan Blaikie LLP from 2004 to 2012.	504,999
Jeff Chisholm <sup>(3)</sup> Thailand Director August 13, 2020	Mr. Chisholm is a geoscientist with 30 years of international development and new venture evaluations experience. He has spent the last 15 years as President and CEO of Pan Orient Energy Corp. where he has managed a debt free balance sheet and returned significant capital to his shareholders.	3,776,922

Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed <sup>(4)</sup>
Kent McDougall <sup>(1)(2)</sup> Calgary, Alberta Director August 13, 2020	Mr. McDougall has over 30 years of experience in oil and gas marketing and commercial arrangements within the oil and gas business. Mr. McDougall is currently an owner and Chief Commercial Officer of Torq Energy Logistics Ltd., which owns midstream infrastructure and provides marketing and transportation to customers across Western Canada. From August 2011 to September 2014, he worked at Goldman Sachs as Vice President, Energy Sales. From September 2007 to August 2011, he worked at Credit Suisse as Director, Fixed Income, Energy Trading and Marketing. Mr. McDougall holds a BComm degree with a concentration in accounting from the Haskayne School of Business, University of Calgary.	3,184,000
Thomas MacInnis Calgary, Alberta Director October 31, 2022	Mr. MacInnis is an independent businessman, currently CEO and Director of Southern Pacific Resource Corp., and a member of the advisory committee for Lex Energy Partners Funds III, IV and V. Previously Head of Financial Markets, Energy and Head of Energy Investment Banking for National Bank Financial Markets and prior thereto Managing Director of Investment Banking for Tristone Capital Inc. Mr. MacInnis holds a Bachelor of Commerce Degree from Saint Mary's University, a diploma in Petroleum Engineering from the Southern Alberta Institute of Technology, a Masters of Business Administration from the Richard Ivey School of Business at the University of Western Ontario and holds ICD.D certification from the Canadian Institute of Corporate Directors.	3,698,500

Notes:

- (1) Member of the Audit Committee
- (2) Member of the Compensation and Corporate Governance Committee
- (3) Member of the Reserves and Environmental, Health and Safety Committee
- (4) Effective as of August 4, 2023. Information regarding Common Shares beneficially owned, directly or indirectly or controlled or directed by the directors has been provided by such directors without independent verification by the Corporation.

**Orders**

To the knowledge of management of the Corporation, other than as disclosed herein, no director or executive officer as at the date hereof, or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

## **Bankruptcies**

To the knowledge of management of the Corporation, other than as disclosed herein, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control thereof, (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company (including the Corporation) 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 (b) has, within the 10 years before the date hereof, 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 director, executive officer or shareholder.

Mr. MacInnis was a director and the Interim Chief Executive Officer of Bellatrix Exploration Inc. ("**Bellatrix**"). On October 2, 2019, Bellatrix obtained an Initial Order under the *Companies Creditors' Arrangement Act* ("**CCAA**") from the Court of Queen's Bench of Alberta seeking a stay of proceedings and other relief provided under the CCAA (the "**CCAA Proceedings**"). On June 1, 2020, Bellatrix announced that it had completed the sale of substantially all of its assets pursuant to the CCAA Proceedings. Following full repayment of all first lien secured debt outstanding, Bellatrix exited CCAA on March 29, 2022 and Bellatrix was ultimately sold to Spartan Delta on July 7, 2022. During the period that Bellatrix was undergoing CCAA proceedings, its shares were cease traded for failure to file financial statements.

## **Penalties and Sanctions**

To the knowledge of management of the Corporation, no director or executive officer or shareholder holding a sufficient number of common shares to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

## **Conflicts of Interest**

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject to in connection with the operations of the Corporation. In particular, certain of the directors and officers of the Corporation are involved in managerial or director positions with other oil and natural gas companies whose operations may, from time to time, be in direct competition with those of the Corporation or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation. In accordance with the CBCA, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Corporation are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Corporation. Certain of the directors of the Corporation have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Corporation will only be able to devote part of their time to the affairs of the Corporation.

## **RIGHTS OF DISSENT**

Pursuant to the CBCA, a registered Shareholder will have the right to dissent with respect to the Special Resolution (such Shareholder being referred to herein as a "**Dissenting Shareholder**"). To exercise such right, the Dissenting Shareholder must send to the Corporation a written objection to the Special Resolution, which written objection must be received by the Corporation c/o EnerNext Counsel, Suite 1620, 444 5<sup>th</sup> Avenue SW, Calgary, Alberta T2P 2T8, Attention: Peter W. Yates, by 10:00 a.m. (Calgary time) on September 18, 2023 (or such other date that is the second to last business day prior to the Meeting, or any adjournment thereof) and the Dissenting Shareholder must otherwise comply with Section 190 of the CBCA. Provided the Special Resolution is approved, each Dissenting Shareholder will be entitled to be paid the fair value of the Common Shares in respect of which the Dissenting Shareholder dissents in accordance with Section 190 of the CBCA. The statutory provisions covering the right of dissent are technical and complex. Failure to strictly comply with the requirements set forth in Section 190 of the CBCA will result in the loss of any right of dissent. A person who is a beneficial holder of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wishes to dissent, should be aware that only the registered holder of

such Common Shares is entitled to dissent. Accordingly, a beneficial holder of Common Shares desiring to exercise the right of dissent must make arrangements for such Common Shares beneficially owned to be registered in such holder's name prior to the time the written objection to the Special Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on such holder's behalf. Pursuant to the CBCA, a Shareholder may not exercise the right of dissent in respect of only a portion of such holder's Common Shares.

### APPOINTMENT OF AUDITOR

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of the firm of KPMG LLP, Chartered Accountants, as the Corporation's auditors, to hold office until the next annual meeting of the shareholders and to authorize the directors of the Corporation to fix their remuneration as such. KPMG LLP, Chartered Accountants, were appointed as the auditors of the Corporation on April 4, 2010.

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

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

The full text of the audit committee's charter is attached hereto as Schedule "A" and forms part of this Circular.

#### Composition of the Audit Committee

The audit committee is currently comprised of Kent McDougall, Cameron Taylor and David Hergenhein. David Hergenhein is the Chairman of the audit committee. Each of the members is independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees* ("NI 52-110"), except for Cameron Taylor, who is not independent as he is an executive officer of the Corporation. Each of the members is financially literate within the meaning of section 1.6 of NI 52-110.

#### Relevant Education and Experience

Please refer to the individual biographies for the members of the audit committee above under the heading "Election of Directors".

#### Pre-Approval Policies and Procedures

The audit committee pre-approves engagements for non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence.

#### External Auditor Service Fees (By Category)

Year Ended	Firm	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2022	KPMG	\$251,250	\$82,925	\$15,349	\$nil
December 31, 2021	KPMG	\$50,000	\$40,000	\$12,900	\$100,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, review of securities filings and statutory audits.
- (2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance

with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

- (4) “All Other Fees” include all other non-audit services.

### Exemption

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

## CORPORATE GOVERNANCE

### General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices as such practices are both in the interests of stakeholders and help to contribute to effective and efficient decision-making. Set forth below is the disclosure regarding the Corporation’s corporate governance practices, as mandated by National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“NI 58-101”).

### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is defined under NI 58-101 as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by appointing an audit committee composed entirely of independent directors to conduct a quarterly review of the Corporation’s financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place. The Board has also appointed a Compensation Committee composed entirely of independent directors to conduct reviews of the remuneration paid to the Corporation’s Chief Executive Officer and other management personnel.

The independent members of the Board of the Corporation are currently Peter Yates, Kent McDougall, Tom MacInnis, Jeff Chisholm and David Hergenhein.

The non-independent director is Cameron Taylor, who is an officer of the Corporation. Peter Yates, who is a consultant with EnerNext Counsel, which provides legal services to the Corporation and is remunerated for such, has been determined to be independent by the other Directors.

The Board has a majority of independent directors and therefore is in compliance with NI 58-101.

### Directorships

The following current directors are also directors of the reporting issuers (or the equivalent in a foreign jurisdiction) shown in the table below:

Name	Other Directorships of Reporting Issuer	Name of Trading Market
Jeff Chisholm	Pan Orient Energy Inc.	TSXV
Cameron Taylor	Pan Orient Energy Inc.	TSXV
David Hergenhein	Calaveras Resource Ltd.	N/A

### Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation’s business, its corporate strategy, and current issues within the Corporation upon joining the Board. New directors are also required to meet with management of

the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as directors of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and updates of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

### **Ethical Business Conduct**

The Board considers 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 directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **Nomination of Directors**

The Corporation's management is continually in contact with individuals involved in the oil and gas exploration industry and public sector resource issuers. From these sources the Corporation has made numerous contacts and in the event that the Corporation were in a position to nominate any new directors, such individuals would be brought to the attention of the Board. The Corporation conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

### **Compensation**

The members of the Compensation and Corporate Governance Committee are Kent McDougall, Peter Yates and David Hergenhein. The Compensation Committee determines the salary and benefits of the executive officers and directors of the Corporation and determines the Corporation's general compensation structure, policies and programs.

### **Other Committees**

In addition to the Audit Committee and the Compensation and Corporate Governance Committee, the Corporation also has a Reserves and Environmental, Health and Safety Committee, which is comprised of Cameron Taylor, Jeff Chisholm and Peter Yates.

### **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 and committees.

## **DISCLOSURE ON DIVERSITY OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT UNDER THE CANADA BUSINESS CORPORATIONS ACT**

The following information relates on the representation of women, Indigenous peoples (First Nations, Inuit and Métis), persons with disabilities and members of visible minorities, defined as designed groups, on the Board of Directors and senior management of the Corporation.

### *Diversity Policy*

The Corporation's senior management and the members of its Board have diverse backgrounds and expertise and were selected on the belief that the Corporation and its shareholders would benefit from such a broad range of talent and experiences. The Board considers merit as the key requirement for board and executive appointments, and as such, it has not adopted any target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**members of designated groups**") on the Board or in senior management roles at this time. Due to the small size of the Board and the management team, the Board believes that the qualifications and experience of proposed new directors or executive officers should remain the primary consideration in the selection process. The Corporation has

not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board of Directors' levels informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. Currently, the Corporation has no women on the Board nor any executive officers who are women, representing 0% of the Board of Directors and executives, respectively. At the present time, no director is from a designated group representing 0% of the board of the Corporation. At the present time, no executive officers are from designated groups representing 0% of the executive officers of the Corporation.

### COMPENSATION OF EXECUTIVE OFFICERS

Disclosure with respect to the compensation of the executive officers and directors of the Corporation is contained in Schedule "B" hereto.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Common Shares are currently listed on the TSXV and in compliance with the policies of the TSXV, at the Corporation's annual general and special meeting held on June 15, 2010, the shareholders of the Corporation approved a share option plan in which 10% of the Corporation's issued and outstanding shares were reserved for issuance (the "Option Plan"). This type of plan is called a "rolling" plan. The Option Plan has been established to recognize contributions made by service providers, to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Corporation's Board of Directors administers the Option Plan and it is their responsibility to ensure that the provisions of the Option Plan are adhered to. Under the Option Plan, options are issued pursuant to option agreements to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. All options expire on a date not later than five years after the issuance of such option. As at the Record Date, there are options outstanding to purchase an aggregate of 19,710,000 Common Shares as options to purchase 1,450,000 Common Shares were granted, and options to purchase 503,333 Common Shares were exercised subsequent to year end.

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2022.

#### Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders – June 15, 2010	18,763,333	\$0.25	2,394,715
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	18,763,333	\$0.25	2,394,715

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end of the most recently completed financial year or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described herein, no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.



## MANAGEMENT CONTRACTS

Except as set out herein, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has purchased liability insurance for its directors and officers. The aggregate amount of premiums paid by the Corporation for the insurance for the directors and officers of the Corporation was \$140,000 for the current year. There are no deductibles for any claim for the directors or officers other than a \$50,000 deductible for each securities claim, each loss through employment practices liability and each claim other than a securities claim or an employment practices claim, with the exception of a \$150,000 deductible for each Side C securities claim.

### PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

#### 1. Approval of the Stock Option Plan of the Corporation

The TSXV requires that each corporation listed on the TSXV have a stock option plan if the corporation grants options to its optionees. At the Corporation's annual general and special meeting held on June 15, 2010, shareholders approved the Option Plan pursuant to which options for Common Shares may be granted, subject to shareholder and regulatory approval. The maximum number of options that may be granted to optionees under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares at the date an option was granted, at the discretion of the Board.

As of the Record Date, options to purchase 19,710,000 Common Shares were outstanding.

Pursuant to the current policies of the TSXV a "rolling" plan, such as the Option Plan, requires shareholder approval every year. In addition, certain amendments to the options are permitted if the specific ability to amend the option is contained in the stock option plan approved by shareholders.

#### *Details of the Plan*

The Corporation may issue Options pursuant to the Option Plan to Service Providers, being defined in the Option Plan as Persons who are bona fide Directors, Officers, Employees, Management Company Employees, Consultants or Company Consultants (as such terms are defined in the Option Plan), including a company, 100% of the share capital of which is beneficially owned by one or more Service Providers. Service Providers that are not individuals are required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSXV and the Corporation is obtained.

The maximum aggregate number of Common Shares that may be reserved for issuance under the Option Plan at any point in time is 10% of the outstanding Common Shares at the time Common Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under share compensation arrangements other than the Option Plan.

The following restrictions on issuances of Options are applicable under the Option Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other share compensation arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the outstanding Common Shares (unless the Corporation has obtained disinterested shareholder approval to do so);
- (b) no Options can be granted under the Option Plan if the Corporation is on notice from the TSXV to transfer its listed shares to the NEX;
- (c) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities (as defined by TSXV policies) in any 12-month period cannot exceed 2% of the outstanding Common Shares, calculated at the time of grant, without the prior consent of the TSXV; and
- (d) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the outstanding Common Shares, calculated at the time of grant, without the prior consent of the TSXV.

The Exercise Price of an Option will be set by the Board of Directors of the Corporation at the time such Option is allocated under the Option Plan, and cannot be less than the Discounted Market Price (as defined by applicable TSXV policies). An Option can be exercisable for a maximum of 5 years from the effective date of the grant of such Option.

No Option may be exercised after the Service Provider has left his employ/office or has been advised by the Corporation that his services are no longer required or his service contract has expired, except as follows:

- (a) in the case of the death of an optionee, any vested Option held by him at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one (1) year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such Option;
- (b) an Option granted to any Director, Employee or Service Provider will expire 90 days (or such other time not to exceed one (1) year as shall be determined by the Board of Directors of the Corporation as at the date of grant or agreed to by the Board and the optionee at any times prior to the expiry of the Option) after the date the optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such Option has vested at the date the optionee ceased to be so employed by or to provide services to the Corporation; and
- (c) in the case of an optionee being dismissed from employment or service for cause, such optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### ***Recommendation***

The Corporation is of the view that the Option Plan provides the Corporation with the flexibility necessary to attract and maintain the services of senior executives and other employees in competition with other businesses in the industry.

The Board recommends that shareholders vote in favour of the re-approval of the Option Plan.

### ***Shareholder Approval***

The Option Plan requires yearly shareholder approval by ordinary resolution. An ordinary resolution is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast in person or by proxy.

At the Meeting, shareholders will be asked to vote on the following resolution, with or without variation:

**"BE IT RESOLVED THAT** the form of stock option plan attached to the Management Proxy Circular dated May 10, 2010 is hereby reapproved, with such changes as any one director or officer of the Corporation may deem necessary to comply with applicable regulatory requirements.

Any one director or officer of the Corporation is hereby authorized to execute and deliver, under corporate seal of the Corporation or otherwise, any documents, agreements or other writings, and to take and complete all other acts and things that are necessary or desirable in connection with the approval of the Stock Option Plan or the issuance of stock options pursuant to such plan."

### ***Recommendation of the Board***

The persons designated in the enclosed Proxy, unless instructed otherwise, intend to vote to approve the Option Plan. A full copy of the Option Plan is attached to the Management Proxy Circular dated May 10, 2010 as Schedule "B".

## **2. Special Resolution to Amend Voting Rights of Common Shares**

### **General**

At the Meeting, Shareholders will be asked to approve the Special Resolution. The Special Resolution must be passed by a majority of not less than 2/3 (66⅔%) of the votes cast by Shareholders who vote in respect of the Special Resolution.

### **Details of the Special Resolution**

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the Special Resolution relating to reducing the number of votes for each Common Share to be one (1) instead of two (2). The Special Resolution must be passed by a majority of not less than 2/3 (66⅔%) of the votes cast by Shareholders who vote in respect of the Special Resolution. In summary, the Special Resolution will approve the Amendment of Articles to reduce the number of votes that each holder is entitled to be one (1) instead of two (2) but otherwise leaving the rights, privileges, restrictions and conditions of the Common Shares identical to what they are currently. The reason for the amendment is to make the voting terms of the Common Shares in line with what is standard for other companies listed on the TSXV. The Corporation originally amended the terms of the Common Shares to have two (2) votes per share instead of one (1) vote per share as part of a reorganization that the Corporation undertook in 2016 and the details of which can be found in the management information circular for the Corporation dated December 22, 2015. The reason for the change in the number of votes per share is now historical and moot and therefore the Corporation wishes to unwind the change to the number of votes per Common Share and revert to something more traditional for a company in the same position as to the Corporation. As the Corporation only has one class of voting shares outstanding, the change to the number of votes per Common Share will not change the pro rata ownership interests of any shareholder or otherwise prejudice any current or former shareholder of the Corporation with respect to their ability to vote on corporate matters.

The full text of the Special Resolution is set forth below under the heading “Special Resolution”. Approval of the Special Resolution will permit the Amendment of Articles. The Amendment of Articles will amend the voting rights attaching to the Common Shares such that instead of having two (2) votes per share at a meeting of Shareholders, they will only have one (1) vote per share at all meetings of shareholders and will otherwise have identical rights, privileges, restrictions and conditions to the Common Shares as they currently exist.

### **Recommendation of the Board of Directors**

The Board of Directors has unanimously determined that the Special Resolution is in the best interests of the Corporation and unanimously recommends that Shareholders vote in favour of the Special Resolution at the Meeting.

### **Special Resolution**

The Special Resolution, the full text of which is reproduced below, must be passed by a majority of not less than 2/3 (66⅔%) of the votes cast by Shareholders present in person or voting by proxy at the Meeting. Each Shareholder of record on the Record Date will be entitled to two (2) votes per Share held for the purpose of voting upon the Special Resolution. The text of the Special Resolution may be amended at the Meeting if the amendments correct manifest errors or are not material.

“**RESOLVED**, as a special resolution of the holders of common shares of ROK Resources Inc. (the “Corporation”), that:

1. the articles of the Corporation (the “**Articles**”) be amended (the “**Amendment of Articles**”) to change the voting rights attached to the class B common shares in the capital of the Corporation (“**Common Shares**”) such that there will only be one (1) vote per Common Share instead of two (2) votes per share and otherwise have attached thereto the same rights, privileges, restrictions and conditions as are currently attached to the Common Shares, such change to be implemented by removing Section 1(b) of Schedule “A” of the Articles in its entirety and replacing it with the foregoing: “The Holders of Class B Common Shares shall be entitled to receive notice of, attend and cast one (1) vote per share at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote”;
2. the Corporation is authorized to make all filings necessary for the issuance of certificates by the Registrar under the CBCA to give effect to this special resolution;
3. any director or officer of the Corporation is authorized and directed, for and in the name of and on behalf of the Corporation, to execute, or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, the

execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and

4. notwithstanding the foregoing, the directors of the Corporation are authorized to revoke this special resolution and not proceed with matters herein authorized, without further approval of the shareholders of the Corporation.”

The text of the proposed Amendment of Articles and restated Articles may be available for review at the Meeting or upon request from the Corporate Secretary of the Corporation at (403) 971-9104.

### **Common Shares Certificates**

Shareholders should not destroy any Common Share certificate(s) and should not submit any Common Share certificate(s) to the transfer agent or anyone else as part of the Special Resolution. There is no need for any special action on behalf of the Shareholders and the Common Shares which the Shareholders currently hold will continue to be valid and effective in the same manner as they currently are. The sole change will be to the number of votes per share that may be voted at meetings of the Shareholders of the Corporation following the Meeting.

### **Procedure for Implementing the Special Resolution**

If the Special Resolution is approved by the Shareholders and the Board decides to implement the change to the articles of the Corporation, the Corporation will promptly file Articles of Amendment pursuant to the CBCA to amend the Articles of the Corporation. The change to the Articles will become effective on the date shown in the Certificate of Amendment issued pursuant to the CBCA.

### **Dissent Rights**

Under the CBCA, Shareholders have dissent and appraisal rights with respect to the proposed Special Resolution. Shareholders who wish to exercise such dissent rights should refer to the description above under the heading “Dissent Rights”.

**Unless otherwise directed, the persons named in the Instrument of Proxy accompanying this Information Circular intend to vote FOR the Special Resolution.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation’s consolidated financial statements and management discussion and analysis (“**MD&A**”) for its most recently completed financial year. The Corporation will provide to any person or company, upon request to Peter Yates, director and Corporate Secretary of the Corporation by phone at (403) 971-9104 or by e-mail at [peter.yates@enernext.ca](mailto:peter.yates@enernext.ca), one copy of any of the consolidated financial statements and accompanying MD&A of the Corporation filed with the applicable securities regulatory authorities for the Corporation’s most recently completed financial year for which such financial statements have been issued, together with the report of the auditor, related management’s discussion and analysis and any interim financial statements of the Corporation filed with the applicable securities regulatory authorities.

Copies of the above documents will be provided, upon request, free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document. The foregoing documents are also available on [www.sedar.com](http://www.sedar.com).

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

**DIRECTORS' APPROVAL**

The contents of this Circular and its distribution to shareholders have been approved by the Board of the Corporation. The directors and officers of the Corporation have indicated their intention to vote their Common Shares in favour of all matters to be considered by Shareholders at the Meeting.

**SCHEDULE “A”**  
**ROK RESOURCES INC.**  
**MANDATE OF THE AUDIT COMMITTEE**

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**Role and Objective**

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors of ROK Resources Inc. (“**ROK**” or the “**Company**”) to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management’s reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board of Director approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

To assist Directors to meet their responsibilities in respect of the preparation and disclosure of the financial statements and related matters.

To provide better communication between directors and external auditors.

To ensure the external auditors’ independence.

To increase the credibility and objectivity of financial reports.

To strengthen the role of the outside directors by facilitating in-depth discussions between directors on the Committee, management and external auditors.

**Mandate and Responsibilities of Committee**

It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to ROK’s internal control systems, including in particular relating to derivative instruments, identifying, monitoring and mitigating business risks and ensuring compliance with legal and regulatory requirements.

It is a primary responsibility of the Committee to review the annual and quarterly financial statements prior to their submission to the Board of Directors for approval. The process should include but not be limited to:

- reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years’ financial statements;
- reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
- reviewing accounting treatment of unusual or non-recurring transactions;
- ascertaining compliance with covenants under any loan agreements;
- reviewing financial reporting relating to asset retirement obligations;
- reviewing disclosure requirements for commitments and contingencies;
- reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
- reviewing unresolved differences between management and the external auditors;
- obtain explanations of significant variances with comparative reporting periods; and
- determine through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed.

The Committee is to review the financial statements and related information included in prospectuses, management discussion and analysis (MD&A), information circular-proxy statements and annual information forms (AIF), prior to Board approval.

With respect to the appointment of external auditors by the Board, the Committee shall:

- be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for ROK, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- review management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;
- review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees; when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
- review and approve any non-audit services to be provided by the external auditors' firm and consider the impact on the independence of the auditors.

Review with external auditors (and internal auditor if one is appointed by ROK) their assessment of the internal controls of ROK, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses.

The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of ROK and its subsidiaries.

Review all public disclosure containing audited or unaudited financial information before release.

Review financial reporting relating to risk exposure.

Satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information from the Company's financial statements and periodically assess the adequacy of those procedures.

Establish procedures for:

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

Review any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it.

Undertake annually a review of this mandate and make recommendations to the Board of Directors as to proposed changes.

### **Composition**

This Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of which members will be independent (within the meaning of Multilateral Instrument 52-110 Audit Committees) unless the Board determines to rely on an exemption in NI 52-110. "Independent" generally means free from any business or other direct or indirect material relationship with ROK that could, in the view of the Board of Directors, reasonably interfere with the exercise of the member's independent judgment.

The Secretary to the Board shall act as Secretary of the Committee.

A quorum shall be a majority of the members of the Committee.

All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

## **Meetings**

The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair.

The Committee shall meet not less than quarterly with the auditors, independent of the presence of management.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

Minutes of each meeting shall be prepared by the Secretary to the Committee.

The Chief Executive Officer and the Chief Financial Officer or their designates shall be available to attend at all meetings of the Committee upon the invitation of the Committee.

The Controller, Treasurer and such other staff as appropriate to provide information to the Committee shall attend meetings upon invitation by the Committee.

## **Reporting / Authority**

Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

The Committee shall have the authority to investigate any financial activity of the Company and to communicate directly with the external auditors. All employees are to co-operate as requested by the Committee.

The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of ROK.



## SCHEDULE “B” COMPENSATION OF EXECUTIVE OFFICERS

The Corporation has a compensation committee (the “**Compensation Committee**”) comprised of Kent McDougall, Peter Yates and David Hergenhein. The Compensation Committee utilizes several different resources identified by management and approved by the Compensation Committee in reviewing elements of executive compensation and making compensation decisions. However, the Compensation Committee’s results are ultimately an exercise of business judgment and discretion rather than purely formulaic performance measures. The design of each compensation element and 2022 pay decisions are described further in the sections that follow.

The objectives of the Corporation’s compensation program are as follows: (i) to attract and retain the best talent available in the energy sector to the Corporation; (ii) to align the short-term and long-term behaviour of senior management with the interests of Shareholders; and (iii) to motivate senior management by rewarding both individual and corporate performance. The Corporation’s compensation program is designed to reward the chief executive officer, chief financial officer and other senior employees of the Corporation.

In this Circular, Named Executive Officer (“**NEO**”) means each Chief Executive Officer, each Chief Financial Officer and each of the three most highly compensated executive officers, other than each Chief Executive Officer and Chief Financial Officer, or each individual who would be a NEO but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000. For the financial year ended December 31, 2022, the Named Executive Officers were Cam Taylor, President and Chief Executive Officer of the Corporation (the “**CEO**”); Lynn Chapman, Vice-President, Finance and Chief Financial Officer of the Corporation (the “**CFO**”); Bryden Wright, Chief Operating Officer of the Corporation (the “**COO**”); and Jared Lukomski, Vice-President, Land and Business Development of the Corporation (the “**VPL**”).

The Compensation Committee’s primary focus in 2022 was to set levels of compensation for the Named Executive Officers and other members of management (collectively, the “**Management**”) that properly recognized and rewarded the role of the Management in the operations of the Corporation, while providing a base package of incentives to future performance. In doing so, the Compensation Committee employed three forms of compensation: base salary, cash bonus and the grant of Options. The relative role of each in the 2022 compensation of the Management is described below.

Base salary provides an immediate cash incentive for the Corporation’s executive officers. The base salaries are recommended by the Compensation Committee after an internal analysis of the Corporation’s industry peers and after commissioning a report from an arm’s length compensation consulting firm (the “**Consulting Firm**”). The Compensation Committee reviews the base salaries of Management at least annually. In recommending an adjustment in the base salaries to the Board, the Compensation Committee considered an internal analysis of the base salaries paid by industry peers with similar production or cash flow profiles and the scope and complexity of the duties of the Named Executive Officers in light of the Corporation’s activities, primary based on an analysis provided by the Consulting Firm. For the 2022 calendar year, the COO received a salary of \$171,358 per annum, the VPL received a salary of \$168,391 per annum, the CEO received a salary of \$146,825 per annum, and the CFO received a salary of \$158,485 per annum. Effective January 2023, the salary of the CEO was increased to \$250,000 per annum, the salary of the COO was increased to \$220,000 per annum, the salary of the VPL was increased to \$205,000 per annum, and the salary of the CFO was increased to \$175,000 per annum.

Bonuses are intended to reward performance by the Corporation’s executive officers in the achievement of the Corporation’s strategic goals and objectives. The Corporation paid bonuses to the Management of the Corporation during the 2022 year as follows: the COO and the VPL received a bonus of \$100,000, the CEO received a bonus of \$65,000, and the CFO received a bonus of \$66,000. Bonuses are typically recommended by the Compensation Committee based on its assessment of the contributions of Management. The Compensation Committee also typically considers performance parameters established by the Corporation which include traditional industry measures.

Grants of Options under the Plan are intended to provide the Corporation’s executive officers with a long term incentive to increase shareholder value. In 2022, a total of 6,250,000 Options were granted by the Corporation to the Management and members of the Board of Directors.

In determining the 2022 compensation of the Management, the Compensation Committee followed a relatively simple process, primarily involving discussion among Compensation Committee members and the executive officers of the Corporation as to appropriate compensation, as well as internal surveys of the compensation paid by the Corporation's peers and data within the Mercer Total Compensation Survey for the Energy Sector plus input from the Consulting Firm. The Compensation Committee engaged the Consulting Firm as an outside consultant to assist in setting the 2023 compensation, such firm having developed and adopted a formal and specific group of the Corporation's peers against which it could establish performance benchmarks.

**The compensation paid to the Named Executive Officers during the Corporation's three most recently completed financial years is as set out below:**

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(2)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Cam Taylor CEO	2022	146,825	Nil	304,877	Nil	Nil	Nil	65,000	516,702
	2021	110,000	Nil	107,686	Nil	Nil	Nil	Nil	217,686
	2020	56,667	Nil	Nil	Nil	Nil	Nil	Nil	56,667
Lynn Chapman CFO	2022	158,485	Nil	131,839	Nil	Nil	Nil	66,000	356,324
	2021	50,000	Nil	46,151	Nil	Nil	Nil	Nil	96,151
	2020	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
Bryden Wright <sup>(3)</sup> COO	2022	171,358	Nil	296,637	Nil	Nil	Nil	100,000	567,995
	2021	120,000	Nil	99,994	Nil	Nil	Nil	Nil	219,994
	2020	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
Jared Lukomski <sup>(4)</sup> VPL	2022	168,391	Nil	296,637	Nil	Nil	Nil	100,000	565,028
	2021	120,000	Nil	99,994	Nil	Nil	Nil	Nil	219,994
	2020	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000

**Notes:**

- (1) Option based awards amounts do not represent cash received. They represent the theoretical value ascribed to options granted to the NEO during the period, which is determined using the Black-Scholes model with various assumptions made at the time of grant relating to share volatility and discount interest rates.
- (2) All other compensation includes bonuses, certain employment benefits provided by the Corporation, and any severance amounts paid upon termination of employment with the Corporation.

**Long-Term Incentive Plan Awards**

Long term incentive plan awards ("LTIP") means "a plan providing compensation intended to motivate performance over a period greater than one financial year". LTIPs do not include option or stock appreciation rights plans or plans for compensation through shares or units that are subject to restrictions on resale. The Corporation did not award any LTIPs to any NEO during the most recently completed financial year.

**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 NEO or any directors during the most recently completed financial year.

**Compensation Governance**

The Corporation has a Compensation Committee that determines the compensation of the directors and executive officers of the Corporation. For details concerning the composition of the Compensation Committee and the responsibilities, powers and operation of the Compensation Committee, see above under the heading "Corporate

Governance - Compensation". The Compensation Committee is chaired by Kent McDougall with Peter Yates and Dave Hergenhein as the other members of the Committee. All members of the Compensation Committee are independent within the meaning of NI 52-110. Please refer to the individual biographies for the members of the Compensation Committee above under the heading "Directors and Officers of the Corporation" for a description of the skills and experience of each member of the Compensation Committee as it relates to their ability to make decisions as to the suitability of the Corporation's compensation policies and practices.

### Option Grants During the Most Recently Completed Financial Year

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

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option-based Awards			Share-based Awards	
		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Cam Taylor, CEO	450,000	0.15	December 3, 2024	148,500	Nil	Nil
	700,000	0.28	July 21, 2026	140,000	Nil	Nil
	1,850,000	0.25	March 25, 2027	425,500	Nil	Nil
Lynn Chapman, CFO	420,000	0.10	July 18, 2023	57,000	Nil	Nil
	300,000	0.28	July 21, 2026	60,000	Nil	Nil
	800,000	0.25	March 25, 2027	184,000	Nil	Nil
Bryden Wright, COO	450,000	0.15	December 3, 2024	148,500	Nil	Nil
	650,000	0.28	July 21, 2026	130,000	Nil	Nil
	1,800,000	0.25	March 25, 2027	414,000	Nil	Nil
Jared Lukomski, VPL	450,000	0.15	December 3, 2024	148,500	Nil	Nil
	650,000	0.28	July 21, 2026	130,000	Nil	Nil
	1,800,000	0.25	March 25, 2027	414,000	Nil	Nil

**Notes:**

(1) Based on the closing price of the shares as at December 31, 2022, which was \$0.48 per share.

### Aggregate Option Exercises during the Most Recently Completed Financial Year and Financial Year-End Option Values

#### Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award.

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Cam Taylor, CEO	Nil	Nil	Nil
Lynn Chapman, CFO	Nil	Nil	Nil
Bryden Wright, COO	Nil	Nil	Nil
Jared Lukomski, VPL	Nil	Nil	Nil

Notes:

- (1) Represents the difference between the market price of the share and the exercise price on the date of vesting.

## Director Compensation

The following table (presented in accordance with Form 51-102F6) sets out all amounts of compensation provided to the directors for the Corporation's most recently completed financial year:

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
David Hergenhein	17,375	Nil	82,399	Nil	Nil	Nil	99,774
Peter Yates	17,375	Nil	82,399	Nil	Nil	Nil	99,774
Kent McDougall	17,375	Nil	82,399	Nil	Nil	Nil	99,774
Jeff Chisholm	Nil	Nil	108,767	Nil	Nil	Nil	108,767
Tom MacInnis	3,167	Nil	239,440	Nil	Nil	Nil	242,607

Notes:

- (1) Option based awards amounts do not represent cash received. They represent the theoretical value ascribed to options granted to the NEO during the period, which is determined using the Black-Scholes model with various assumptions made at the time of grant relating to share volatility and discount interest rates.

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

The following table (presented in accordance with Form 51-102F6) sets out for each director all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options <sup>(3)</sup> (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
David Hergenhein	300,000	0.28	July 21, 2026	60,000	Nil	Nil
	500,000	0.25	March 25, 2027	115,000		
Peter Yates	300,000	0.28	July 21, 2026	60,000	Nil	Nil
	500,000	0.25	March 25, 2027	115,000		
Kent McDougall	300,000	0.28	July 21, 2026	60,000	Nil	Nil
	500,000	0.25	March 25, 2027	115,000		
Jeff Chisholm	300,000	0.28	July 21, 2026	60,000	Nil	Nil
	660,000	0.25	March 25, 2027	151,800		
Tom MacInnis	800,000	0.35	October 31, 2027	104,000	Nil	Nil

Notes:

- (1) Based on the closing price of the shares as at December 31, 2022, which was \$0.48 per share.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table (presented in accordance with Form 51-102F6) sets out details of the value vested or earned by each director during the most recently completed financial year for each incentive plan award.

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
David Hergenhein	Nil	Nil	Nil
Peter Yates	Nil	Nil	Nil
Kent McDougall	Nil	Nil	Nil
Jeff Chisholm	Nil	Nil	Nil
Tom MacInnis	21,333	Nil	Nil

**Notes:**

(1) Represents the difference between the market price of the share and the exercise price on the date of vesting.

### Termination of Employment, Change in Responsibilities and Employment Contracts

Cam Taylor entered into a full-time executive employment agreement with the Corporation to be President and Chief Executive Officer of the Corporation effective as of November 28, 2019. Effective as of January 1, 2023, Mr. Taylor receives an annual salary of \$250,000 and four weeks paid vacation per year. Lynn Chapman entered into a full-time executive employment agreement with the Corporation to be Vice President, Finance and Chief Financial Officer of the Corporation effective as of January 27, 2016. Effective as of January 1, 2023, Mr. Chapman receives an annual salary of \$175,000 and four weeks paid vacation per year. Bryden Wright entered into a full-time executive employment agreement with the Corporation to be Vice-President, Engineering of the Corporation effective as of November 28, 2019 (subsequently promoted to Chief Operating Officer). Effective as of January 31, 2023, Mr. Wright receives an annual salary of \$220,000 and four weeks paid vacation per year. Jared Lukomski entered into a full-time executive employment agreement with the Corporation to be Vice-President, Land and Business Development of the Corporation effective as of November 28, 2019. Effective as of January 31, 2023, Mr. Lukomski receives an annual salary of \$205,000 and four weeks paid vacation per year. The agreements for each of the aforementioned individuals are collectively referred to herein as the “**Executive Agreements**”.

Each Executive Agreement shall continue indefinitely until terminated upon mutual written agreement of the parties or as a result of the death, disability, retirement or termination of the executive. The Corporation may terminate any executive for just cause without payment to the executive, save and except for the pro-rata annual base salary earned for services rendered up to and including the termination date, plus any accrued vacation pay and reimbursable expenses. An executive may resign from his employment with the Corporation by providing the Corporation with thirty (30) days written notice of termination to the Corporation, in which case the Corporation shall pay the executive the pro-rata annual base salary earned for services rendered up to and including the termination date, plus any accrued vacation pay and reimbursable expenses. If the Executive is terminated by the Corporation other than for Just Cause (as defined in the Executive Agreements), the Executive shall be entitled to receive, and the Corporation shall pay to the Executive, immediately following termination, the pro-rata annual base salary earned for services rendered up to and including the termination date, plus a cash amount equal to one (1.0) times the annual base salary, plus the average of the bonus paid for the past two years or, if the Executive has not been continuously employed by the Corporation for a period of two (2) years prior to termination, the last annual bonus paid to the Executive prior to the termination of the Executive, all of which shall be subject to required statutory deductions and withholdings. In addition, any outstanding options which would have vested within twelve (12) months of the termination date shall have their vesting accelerated. If any of the NEO’s were terminated without Just Cause, the Corporation would be required to compensate such executives in the following amounts: \$282,500 for Mr. Taylor, \$208,000 for Mr. Chapman, \$270,000 for Mr. Wright, and \$255,000 for Mr. Lukomski. If any of the NEO’s were terminated as a result of a Triggering Event following a Change in Control (as such terms are defined below), the Corporation would be required to compensate such Executives in the following amounts: \$250,000 for Mr. Taylor, \$175,000 for Mr. Chapman, \$220,000 for Mr. Wright, and \$205,000 for Mr. Lukomski.

If a Change in Control (as defined in the Executive Agreements) occurs and if, in respect of the Executive, a Triggering Event (as defined in the Executive Agreements) subsequently occurs within one (1) year of the Change in Control, the Executive shall be entitled to elect to terminate his employment with the Corporation and to receive a payment from the Corporation in an amount equal to the pro-rata annual base salary earned for services rendered up to and including the termination date plus an amount equal to one (1.0) times his then current annual base salary. With regards to the Executive Agreements, a Change in Control means a transaction or series of transactions whereby directly or indirectly (i) any person or combination of persons obtains a sufficient number of securities of the Corporation to affect materially the control of the Corporation; (ii) the Corporation shall consolidate or merge with or into, amalgamate with, or enter into a statutory arrangement with, any other person and, in connection therewith, all or part of the outstanding voting shares shall be changed in any way, reclassified or converted into, exchanged or otherwise acquired for shares or other securities of the Corporation or any other person or for cash or any other property; (iii) any other person shall consolidate or merge with or into, amalgamate with, or enter into a statutory arrangement with, the Corporation, and, in connection therewith, all or part of the outstanding voting shares shall be changed in any way, reclassified or converted into, exchanged or otherwise acquired for shares or other securities of the Corporation or any other person or for cash or any other property; (iv) the Corporation shall sell or otherwise transfer, including by way of the grant of a leasehold interest, property or assets aggregating more than 50% of the consolidated assets of the Corporation or 50% of the operating revenue of the Corporation from the last year; or (v) there occurs a change in the composition of the Board, which occurs at a single meeting of the shareholders whereby such individuals who were members of the Board immediately prior to such meeting cease to constitute a majority of the Board.

A Triggering Event is defined as: (i) a change (other than those that are clearly consistent with a promotion) in the NEO's position or duties, responsibilities, title or office in effect immediately prior to a change in control; (ii) a reduction by the Corporation in the NEO's annual base salary or any failure by the Corporation to increase the NEO's annual base salary payable by the Corporation in a manner consistent with practices in effect immediately prior to a change in control or with practices implemented subsequent to a change in control with respect to the senior executives of the Corporation; (iii) any failure by the Corporation to continue in effect or materially changing the terms any benefit plans in which the NEO is participating or entitled to participate immediately prior to a change in control; (iv) a change in the municipality in which the NEO is regularly required to carry out the terms of his employment with the Corporation at the date of a change in control; (v) any failure by the Corporation to provide the NEO with the number of paid vacation days to which he was entitled immediately prior to a change in control or the Corporation failing to increase such paid vacation on a basis consistent with practices in effect immediately prior to a change in control or with practices implemented subsequent to a change in control with respect to the senior executives of the Corporation; (vi) the Corporation taking any action to deprive the NEO of or materially adverse change any material fringe benefit not hereinbefore mentioned and enjoyed by him immediately prior to a change in control; (vii) any material breach by the Corporation of any provision of the executive employment agreement; (viii) the good faith determination by the NEO that, as a result of a change in control or any action or event thereafter, the NEO's status or responsibility in the Corporation has been diminished or the NEO is being effectively prevented from carrying out his duties and responsibilities as they existed immediately prior to a change in control; or (ix) the failure by the Corporation to obtain, in a form satisfactory to the NEO, an effective assumption of its obligations hereunder by any successor to the Corporation, including a successor to a material portion of its business. Further, in such an event, all unvested options held by the Executive shall have their vesting accelerated. The before-mentioned payments to either respective NEO will not be realized if the triggering event follows a change in control which involves a sale of securities or assets of the Corporation with which the respective NEO is involved as a purchaser in any manner. All termination rights of either NEO are conditional upon the NEO electing to exercise such rights by notice given to the Corporation within one hundred and twenty (120) days of the Triggering Event. Either NEO shall be entitled to a payment by the Corporation of the amount calculated above if a Triggering Event does not occur but the NEO is dismissed from his employment with the Corporation without just cause within one (1) year of the change in control.



