

NORTH 40 **RESOURCES LTD.**

**NOTICE OF ANNUAL GENERAL MEETING
- AND -
INFORMATION CIRCULAR AND PROXY STATEMENT**

For the Annual General Meeting of Shareholders
to be held on Tuesday, June 4, 2024 at 11:00 a.m. (Calgary time)

May 1, 2024

NORTH 40 RESOURCES LTD.

Notice of Annual General Meeting of Shareholders to be held on Tuesday, June 4, 2024 at 11:00 a.m.

Notice is hereby given that the annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of North 40 Resources Ltd. (the "**Corporation**") will be held in the Trophy Lounge at the Calgary Petroleum Club located at 319 – 5th Avenue SW, Calgary, Alberta on Tuesday, June 4, 2024 at 11:00 a.m. (Calgary time) to:

1. receive the financial statements of the Corporation for the year ended December 31, 2023, together with the auditor's report thereon;
2. fix the number of directors of the Corporation to be elected at the Meeting at six (6) directors;
3. elect six (6) directors of the Corporation for the ensuing year;
4. appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration as such; and
5. transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice of Annual General Meeting of Shareholders.

Only Shareholders of record at the close of business on May 1, 2024 (the "**Record Date**") are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that they own such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

If you are a registered Shareholder and are unable to attend the Meeting or any adjournment thereof in person, please complete, sign and mail the enclosed form of proxy to, or deposit it with the registrar and transfer agent of the Corporation, Odyssey Trust Company, Trader's Bank Building 702, 67 Yonge Street, Toronto ON M5E 1J8 (Attention: Proxy Department), or (Facsimile (800) 517-4553) or by email at proxy@odysseytrust.com, so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. Registered Shareholders may also use the internet site at <https://vote.odysseytrust.com> to transmit their voting instructions. See "Voting by Internet" in the Information Circular.

DATED at Calgary, Alberta this 1st day of May, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

[signed] "Clayton Woitas"

Clayton Woitas

Chairman of the Board

NORTH 40

RESOURCES LTD.

**Management Information Circular and Proxy Statement dated May 1, 2024
for the Annual General Meeting of the Shareholders of
North 40 Resources Ltd. to be held on Tuesday, June 4, 2024**

Solicitation of Proxies

This management information circular and proxy statement ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of North 40 Resources Ltd. (the "**Corporation**" or "**North 40**") for use at the annual general meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation (the "**Meeting**") to be held in the Trophy Lounge at the Calgary Petroleum Club located at 319 – 5th Avenue SW, Calgary, Alberta on Tuesday, June 4, 2024 at 11:00 a.m. (Calgary time) and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting as at the close of business on May 1, 2024 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy (the "**Management Designees**") are directors and officers of the Corporation. **Each Shareholder has the right to appoint a proxyholder other than the Management Designees, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting.** To exercise such right, the names of the Management Designees should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the form of proxy. In order to be effective, the enclosed form of proxy must be deposited with the Corporation's transfer agent, Odyssey Trust Company, Trader's Bank Building 702, 67 Yonge Street, Toronto ON M5E 1J8 (Attention: Proxy Department), or by facsimile at (800) 517-4553 or by email at proxy@odysseytrust.com, so that it is received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. Registered Shareholders may also use the internet site at <https://vote.odysseytrust.com> to transmit their voting instructions.

Unless otherwise stated, the information in this Information Circular is given as at May 1, 2024.

Voting by Internet

Shareholders using the internet site <https://vote.odysseytrust.com> (the "**Voting Website**") to transmit their voting instructions should have the form of proxy in hand when they access the Voting Website. Shareholders will be prompted to enter the Control Number located on the address box on the enclosed form of proxy. The Voting Website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits their voting instructions on the Voting Website and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction on the Voting Website prior to the deadline noted above. When resubmitting a

proxy on the Voting Website, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted on the Voting Website by the deadline noted above.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to you if you do not hold Common Shares in your own name. Only proxies deposited by Shareholders whose names appear on our records as the registered Shareholders as at the Record Date can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your Common Shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the broker (or agent of the broker) as registered Shareholder how to vote the Common Shares on your behalf.

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

Revocability of Proxy

You may revoke your proxy at any time prior to the Meeting. If you, or the person to whom you give your proxy, attend personally at the Meeting, you or such person may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under corporate seal or by a duly authorized officer or attorney of the corporation. To be effective, the instrument in writing revoking a proxy must be deposited at the offices of Odyssey at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) thereof.

Persons Making the Solicitation

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual General Meeting of Shareholders and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefore.

Exercise of Discretion by Proxyholder

The Common Shares represented by proxy in favour of the Management Designees shall be voted, or withheld from voting, in accordance with the instructions of the Shareholder on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted in accordance with the specification so made. **In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon at the Meeting. The Management Designees are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice**

of Annual General Meeting of Shareholders. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, an unlimited number of special voting shares of the Corporation ("**Special Voting Shares**") without nominal or par value, an unlimited number of Class "B" shares of the Corporation ("**Class "B" Shares**") without nominal or par value and an unlimited number of Class "C" shares of the Corporation ("**Class "C" Shares**") without nominal or par value. As at May 1, 2024, there were 76,624,044 Common Shares, 4,870,000 Class "B" Shares, 10,380,000 Class "C" Shares and no Special Voting Shares issued and outstanding. In addition, as at May 1, 2024, there were 2,297,000 Class "B" options of the Corporation and 3,899,000 Class "C" options of the Corporation issued and outstanding, each of which entitle the holder thereof to purchase one (1) Class "B" Share and one (1) Class "C" Share, respectively.

Holders of Common Shares are entitled to one (1) vote for each Common Share owned. Holders of Class "B" Shares and Class "C" Shares are not entitled to vote at the Meeting.

Other than as set out below, to the knowledge of our directors and officers, as at May 1, 2024, there is no person or company who beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the votes attached to all of the issued and outstanding Common Shares:

<u>Shareholder</u>	<u>Common Shares beneficially owned, or controlled or directed, directly or indirectly</u>	<u>Aggregate Percentage of the Common Shares represented by the number of Common Shares so owned, controlled or directed, directly or indirectly</u>
Longbow Capital Inc. ⁽¹⁾	20,000,000	26.10%
Clayton Woitas ⁽²⁾	10,743,423	14.02%

Note:

- (1) Longbow Capital Inc., and/or its affiliates, controls a number of funds holding, in aggregate, 20,000,000 Common Shares.
- (2) Includes Common Shares held by Mr. Woitas' spouse as well as entities that Mr. Woitas controls, directly or indirectly.

MATTERS TO BE ACTED UPON AT THE MEETING

Particulars of Matters to be Acted Upon

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are the following matters set forth in the accompanying Notice of Annual General Meeting of Shareholders: (i) receive the financial statements of the Corporation for the year ended December 31, 2023, together with the auditor's report thereon; (ii) fix the number of directors of the Corporation to be elected at the Meeting at six (6) directors; (iii) elect six (6) directors of the Corporation for the ensuing year; (iv) appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration as such; and (v) transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

Receipt of the Financial Statements and Auditor's Report

At the Meeting, the financial statements of the Corporation for the year ended December 31, 2023 and the auditor's report thereon will be placed before Shareholders, but no vote by Shareholders with respect thereto is required, or proposed to be taken.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution fixing the number of directors to be elected at the Meeting for the ensuing year, at six (6), as may be adjusted between Shareholders' meetings by way of resolution of the Board.

Election of Directors

Directors will be elected at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in favour of the election as directors of the six (6) nominees set forth below:

Clayton Woitas
 Tyson Birchall
 Jeff Lebbert
 Margaret McKenzie
 Donald Robson
 Grant Zawalsky

Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, in accordance with the *Business Corporations Act* (Alberta), unless his office is earlier vacated.

Management does not contemplate that any of these nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **the Management Designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.**

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from the nominees and sets forth the names, province and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations during the five preceding years and the number of Common Shares owned or controlled or directed, directly or indirectly, by each of them as of May 1, 2024.

<u>Name, Province and Country of Residence</u>	<u>Director Since</u>	<u>Principal Occupation During the Five Preceding Years</u>	<u>Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly</u>
Clayton Woitas ⁽²⁾⁽³⁾ Alberta, Canada	October 16, 2007	Independent businessman. Mr. Woitas is the Chairman of Spur Petroleum Ltd. Mr. Woitas was the Chairman of Ovintiv Inc. (formerly Encana Corporation) from 2013 to June 2020. From January 2013 to June 2013, Mr. Woitas acted as Interim President & Chief Executive Officer of Encana Corporation. Mr. Woitas was Chairman and Chief Executive Officer of Range Royalty Management Ltd. (general partner of Range Royalty Limited Partnership, a private oil and gas royalty company) from 2006 to December 2014.	10,743,423 ⁽⁴⁾
Tyson Birchall ⁽¹⁾⁽³⁾ Alberta, Canada	April 20, 2016	Managing Director of Longbow Capital Inc., where he has been a partner since 2009. Mr. Birchall has been a director of a number of private oil & gas companies.	20,000,000 ⁽⁵⁾
Jeff S. Lebbert ⁽²⁾ Alberta, Canada	October 16, 2007	Independent businessman. Mr. Lebbert was formerly a director and the Vice President, Corporate Development of Range Royalty Management Ltd. (general partner of Range Royalty Limited Partnership, a private oil and gas royalty company) from 2006 to December 2014.	5,072,645

<u>Name, Province and Country of Residence</u>	<u>Director Since</u>	<u>Principal Occupation During the Five Preceding Years</u>	<u>Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly</u>
		Mr. Lebbert was formerly the Chairman of Home Quarter Resources Ltd. (a private oil and gas exploration and production company) from 2010 to January 2014.	
Margaret A. McKenzie ⁽¹⁾ Alberta, Canada	October 16, 2007	Corporate director. Ms. McKenzie was formerly the Chief Financial Officer of Range Royalty Management Ltd. (general partner of Range Royalty Limited Partnership, a private oil and gas royalty company) from 2006 to December 2014. Ms. McKenzie currently sits on the board of directors of a number of private and public companies, including PrairieSky Royalty Ltd., Spur Petroleum Ltd. and Canadian National Railway Company.	200,010
Donald W. Robson ⁽³⁾ Alberta, Canada	November 23, 2022	President and Chief Executive Officer of the Corporation. Mr. Robson was Vice President, Land and Business Development of the Corporation from 2016 to November 23, 2022.	205,000 ⁽⁶⁾
Grant Zawalsky ⁽¹⁾⁽²⁾ Alberta, Canada	April 20, 2016	Vice Chairman of Burnet, Duckworth & Palmer LLP, where he has been a partner since 1994. Mr. Zawalsky currently sits on the board of directors of a number of private and public companies, including NuVista Energy Ltd., Spur Petroleum Ltd. and Whitecap Resources Inc. and is Corporate Secretary of ARC Resources Ltd. and PrairieSky Royalty Ltd. Mr. Zawalsky was the President (2021) of the Calgary Petroleum Club.	500,000

Notes:

- (1) Member of the Audit Committee of the Board.
- (2) Member of the Compensation and Governance Committee of the Board.
- (3) Member of the Reserves and Health, Safety and Environmental Committee of the Board.
- (4) Includes Common Shares held by Mr. Woitas' spouse as well as entities that Mr. Woitas controls, directly or indirectly.
- (5) Tyson Birchall is the Managing Director of Longbow Capital Inc. Longbow Capital Inc. controls investment funds that beneficially own or control 20,000,000 Common Shares.
- (6) Includes Common Shares held by Mr. Robson's spouse.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of our executive officers and directors, other than as disclosed below, none of the proposed directors is, or has been in the last ten (10) years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that; (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (b) was subject to, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

In addition, other than as disclosed below, no proposed director of the Corporation is, or within the ten (10) years prior to the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any other issuer (including the Corporation) that: (a) was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that person; or (b) was a director or executive officer of a corporation (including the Corporation) that while that person acting in that capacity or within

a year of the person ceasing to act as a director or officer of the corporation became bankrupt or 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.

Ms. McKenzie was a director of Endurance Energy Ltd. ("**Endurance**") from November 2008 until her resignation in March 2016. Mr. Zawalsky was a director of Endurance from November 2008 until his resignation on November 3, 2016 upon the sale of substantially all of the assets of Endurance. On May 30, 2016, Endurance obtained an Initial Order under the *Companies Creditors' Arrangement Act* ("**CCAA**") seeking a stay of proceedings and other relief provided under the CCAA. On November 17, 2017, FTI Consulting Canada Inc. was appointed as trustee in bankruptcy over Endurance following the company's assignment into bankruptcy.

Mr. Birchall was a director of Advantage Tower Ltd. and Tower Acquisition Corp. until his resignation on April 10, 2017. Advantage Tower Ltd. and Tower Acquisition Corp. consented to the court appointment of a receiver and manager of the assets, undertakings and properties of the companies. The receivership order was granted on August 9, 2017.

Mr. Zawalsky was a director of Zargon Oil & Gas Ltd. ("**Zargon**"), a public company engaged in the exploitation of oil, which filed a Notice of Intention to Make a Proposal to its creditors under the provisions of Part III, Division I of *The Bankruptcy and Insolvency Act* (Canada) on September 8, 2020. Mr. Zawalsky resigned as a director of Zargon on September 8, 2020.

Further, no proposed director, or any personal holding company of a proposed director, of the Corporation have been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director of the Corporation.

Appointment of Auditor

Unless otherwise directed, it is management's intention to vote proxies in favour of KPMG LLP, Chartered Accountants of Calgary, Alberta ("**KPMG**") to serve as our auditor until the next annual general meeting of Shareholders and to authorize our directors to fix their remuneration as such. At the Meeting Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution to engage the services of KPMG to act as our auditor until the next annual general meeting of Shareholders and to authorize our directors to fix their remuneration as such. KPMG has served as auditors of the Corporation since March 22, 2017.

External Auditor Service Fees

The table below summarizes the fees billed by KPMG for the year ended December 31, 2022 and December 31, 2023, respectively.

	2022	2023
Audit fees ⁽¹⁾	\$111,280	\$112,350
Tax fees ⁽²⁾	-	-
All other fees ⁽³⁾	-	\$6,420
Total	\$111,280	\$118,770

Notes:

- (1) Audit fees includes fees billed regarding the annual audit of the financial statements.
- (2) Fees in connection with preparation of Canadian tax return.
- (3) Other fees charged by the auditors, including other non-audit products and services.

Other Matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General Meeting of Shareholders. However, if any other matter properly comes before the Meeting, each duly completed and submitted form of proxy will be voted on such matter in accordance with the best judgment of the person(s) voting the proxy.

MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by the directors and executive officers of the Corporation and are not to any substantial degree performed by any other person or corporation.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation, or anyone who has held office as such, since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

DIRECTOR, OFFICER AND EMPLOYEE REMUNERATION

During the fiscal year ended December 31, 2023, no cash or other remuneration was awarded, earned, paid or payable to the directors of the Corporation in their capacity as directors of the Corporation. Directors are eligible to be reimbursed for all reasonable expenses incurred in connection with acting as directors of the Corporation.

The aggregate remuneration paid to the five highest compensated officers and employees of the Corporation for the fiscal year ended December 31, 2023 was \$2,098,303.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any proposed nominee as a director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

BOARD APPROVAL

The Board has approved the contents, and sending of, this Information Circular to the Shareholders of the Corporation.