



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
ALVOPETRO ENERGY LTD.**

- AND -

MANAGEMENT INFORMATION CIRCULAR

Meeting to be held on Wednesday, June 21, 2023 at 9:30 a.m. (Calgary time)
At Penn West Plaza Conference Centre
Suite 211, 207 9th Avenue SW, Calgary Alberta

May 3, 2023

Letter to Shareholders

May 3, 2023

Dear Fellow Shareholders:

2022 built from our success in 2021 with another exceptional year for our business. We once again delivered record financial and operating results. With strong commodity prices and record margins, we generated significant cash flows and were able to increase our quarterly dividends in both the first and fourth quarters of 2022 and then again in the first quarter of 2023. We would like to take this opportunity to thank our employees whose continued dedication drives the success of our business and our other members of the board of directors (the “**Board**”) for their strategic input and continued contributions.

2022 Financial and Operating Highlights

- Record annual sales averaged 2,557 barrels of oil equivalent per day (“**boepd**”), an increase of 8% over our 2021 average.
- We generated funds flow from operations¹ of US\$49.9 million, an increase of 102% compared to 2021.
- Our operating netback per barrel of oil equivalent¹ (“**boe**”) averaged US\$59.43 per boe, an 87% operating netback margin¹ relative to our average realized sales price of US\$68.04 per boe, industry leading margins compared to peers.
- Our credit facility was fully repaid and cancelled in September 2022 and we ended the year with a US\$14.7 million net working capital¹ balance, including cash and cash equivalents of US\$19.8 million.
- The before tax value of our proved plus probable reserves² (discounted at 10%) increased by 17% from December 31, 2021 to US\$348.2 million as of December 31, 2022.
- We published our inaugural sustainability report in August 2022, reporting our approach to environment, social and governance (“**ESG**”) practices and our commitment to responsibly supplying energy, minimizing our impact and strengthening our communities and our workforce.
- Since starting our quarterly dividend payments in the third quarter of 2021, we have already returned US\$0.62 per share to shareholders in the form of dividends. With our record cash flows we increased our quarterly dividend payments to US\$0.08/common share (+33%) in March 2022, and again in December 2022 to US\$0.12/common share (+50%). In March 2023, we raised the dividend again to US\$0.14/common share (+17%).

2023 Capital Plan

In 2023 we are focused on growing Alvopetro through our lower risk development opportunities on our Murucututu natural gas project and our Bom Lugar oil field. We have already completed key infrastructure investments on our Murucututu project and we commenced production from the 183(1) well in late 2022. We are completing the stimulation of our 197(1) well and expect this well to be on production later in the second quarter. We plan to drill an additional two follow-up wells at Murucututu, with one well having up-hole exploration potential. After we complete these initial projects at Murucututu, we are planning a multi-year development based on success. At Bom Lugar, we plan to drill up to two development wells in 2023, targeting the Caruaçu Formation with additional potential in the deeper Gomo and Agua Grande Formations, the first of which was spud on April 30th.

The Meeting

The enclosed management information circular contains important details about the meeting, including matters to be voted on and how to vote your shares. The meeting will be held in person this year and only registered shareholders or their duly appointed proxy holders will be able to vote their shares at the meeting. We encourage any registered shareholders who are unable to attend the meeting in person and all beneficial shareholders to vote their shares in advance of the meeting as further outlined in the information circular.

¹ Refer to the “*Non-GAAP and Other Financial Measures*” section in this management information circular.

² Refer to the “*Oil and Natural Gas Advisories*” section in this management information circular.

We will also be broadcasting the meeting via live webcast for the interest of all shareholders. Please be advised that shareholders will not be able to vote any shares through this webcast format. Details for joining the event are as follows:

Date: June 21, 2023

Time: 9:30 a.m. Mountain time/11:30 a.m. Eastern Time

Link: <https://us06web.zoom.us/j/83161687257>

Dial-in numbers: <https://us06web.zoom.us/j/83161687257>

Webinar ID: 831 6168 7257

Looking Ahead

Since commencing production from our Caburé natural gas field on July 5, 2020, we have consistently delivered financial and operating results above expectations, generating over US\$82 million in funds flow from operations to December 31, 2022, repaying 100% of the original project financing and returning US\$22 million to shareholders in the form of dividends. With our strong financial resources, we are well positioned to execute on our 2023 capital plan and pursue our multi-year growth objectives. We remain committed to our balanced capital allocation model which is focused on adding shareholder value by delivering strong dividend yields and per-share production and reserve growth.

We would like to thank our fellow shareholders for their continued support and we look forward to updating you on our progress throughout 2023.

Sincerely,

(signed) "Corey C. Ruttan"

Corey C. Ruttan
President, Chief Executive Officer and Director

(signed) "John D. Wright"

John D. Wright
Chairman of the Board of Directors

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NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

An annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Shares**”) of Alvopetro Energy Ltd. (“**Alvopetro**” or the “**Corporation**”) will be held on Wednesday June 21, 2023 at 9:30 a.m. (Calgary time) at the Penn West Plaza Conference Centre, Suite 211, 207 9th Avenue S.W., Calgary Alberta to:

- (1) receive and consider the Corporation’s financial statements for the year ended December 31, 2022, together with the report of the auditors thereon;
- (2) elect the directors of the Corporation for the ensuing year;
- (3) appoint the auditors of the Corporation and authorize the directors to fix their remuneration;
- (4) re-approve the omnibus incentive plan of the Corporation, in the form as more particularly described in the accompanying management information circular (the “**Information Circular**”); and
- (5) transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular.

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by a majority of the votes cast in respect of the resolution.

If you are unable to attend the Meeting in person, we request that you date and sign the enclosed form of proxy and mail it to or deposit it with TSX Trust Company (“**TSX Trust**”), 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not later than 9:30 a.m. (Calgary time) on June 19, 2023 or, if applicable, forty-eight (48) hours before any adjournment of the Meeting (excluding Saturdays, Sundays, and holidays).

Only Shareholders of record at the close of business on May 2, 2023 (the “**Record Date**”) will be entitled to vote at the Meeting, unless that Shareholder has transferred any Shares subsequent to the Record Date and the transferee Shareholder, not later than ten (10) days before the Meeting, establishes ownership of the Shares and demands that the transferee’s name be included on the list of Shareholders entitled to vote at the Meeting.

Dated at Calgary, Alberta as of May 3, 2023.

By order of the Board of Directors

(signed) “Corey C. Ruttan”

Corey C. Ruttan
President and Chief Executive Officer and Director

VOTING INFORMATION

Solicitation of Proxies

This management information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by and on behalf of management of Alvopetro Energy Ltd. ("**Alvopetro**" or the "**Corporation**") for use at the annual and special meeting ("**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Shares**") of the Corporation to be held on Wednesday June 21, 2023 at 9:30 a.m. (Calgary time) at the Penn West Plaza Conference Centre, Suite 211, 207 9th Avenue S.W., Calgary Alberta, and at any adjournment thereof.

References herein to "we", "our", "Alvopetro" or the "Corporation" refer to Alvopetro Energy Ltd.

This solicitation is made on behalf of management. We will bear the mailing costs incurred in connection with such solicitation. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of Alvopetro, who will not be remunerated therefor.

Record Date

Only registered Shareholders ("**Registered Shareholders**") of record at the close of business on May 2, 2023 (the "**Record Date**") will be entitled to vote at the Meeting, unless that Shareholder has transferred any Shares subsequent to that date and the transferee Shareholder, not later than ten (10) days before the Meeting, establishes ownership of the Shares and demands that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

Registered Shareholder Voting

You are a "**Registered Shareholder**" if your Shares are held and registered in your name and you have a share certificate, or your Shares are held in electronic registered form in your name through our transfer agent. A description of the ways that a Registered Shareholder can vote at the Meeting is provided below.

Voting Options for Registered Shareholders

- In person at the meeting (see below);
- By proxy instruction (see below and enclosed proxy); or
- By internet (see enclosed proxy).

Voting in Person

Registered Shareholders may attend the Meeting and vote their Shares in person during the Meeting. If you plan to attend the Meeting and wish to vote your Shares in person during the Meeting, do not complete or return the enclosed proxy. Your vote will be taken and counted at the Meeting. Please register with our transfer agent, TSX Trust Company, when you arrive at the Meeting.

Voting by Proxy and Revocation of Proxy

Whether or not you attend the Meeting, you can appoint someone else to attend and vote as your proxyholder. You can use the enclosed proxy or any other proper form of proxy to do this.

The persons named in the enclosed form of proxy are officers of the Corporation. As a Registered Shareholder, you have the right to appoint another person, who need not be a Shareholder, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.

Forms of proxy must be addressed to and reach TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than 9:30 a.m. (Calgary time) on June 19, 2023 or, if applicable, forty-eight (48) hours before any adjournment of the Meeting (excluding Saturdays, Sundays, and holidays). An instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

You may revoke your proxy at any time prior to the Meeting. If you or the person you give your proxy to personally attends the Meeting, you or such person may revoke the proxy and vote during the Meeting. 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 your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at our head office at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with TSX Trust Company on the day of the Meeting.

Notice-and-Access

The Corporation has elected to use the "notice-and-access" provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to its Beneficial Shareholders (as defined below) and its Registered Shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post online an information circular in respect of a meeting of its shareholders and related materials.

Shareholders with questions about notice-and-access can call TSX Trust Company toll free at 1-866-600-5869.

In order to receive a paper copy of this Information Circular and other relevant information, requests by Shareholders may be made up to one year from the date the Information Circular was filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") by: (i) mailing a request to the Corporation at Suite 1920, 215 – 9th Avenue S.W., Calgary, Alberta T2P 1K3, Attention: Chief Financial Officer; (ii) calling TSX Trust toll free at 1-866-600-5869 (1-416-342-1091 outside of North America); or (iii) by emailing a request to tsxtis@tmx.com. The Information Circular and form of proxy are also available online at the following websites: www.sedar.com or <http://docs.tsxtrust.com/2069>. Requests should be received by June 12, 2023 in order to receive the Meeting materials in advance of the Meeting date.

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Alvopetro as the Registered Shareholders can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of Alvopetro. Such Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll free telephone number or visit Broadridge's dedicated voting website at www.proxyvote.com to vote the Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for a Registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for a registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Exercise of Discretion by Proxy

The persons named as proxies will vote or withhold from voting the Shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the Shareholder appointing them. **In the absence of such instructions, the Shares will be voted in favour of all matters identified in the enclosed Notice of Annual and Special Meeting.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting. However, if any amendments or other matters not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

Currency

Except as otherwise indicated, all dollar amounts in this Information Circular are expressed in Canadian dollars and references to "\$" are to Canadian dollars.

Date of Information

Unless otherwise indicated, all information set forth in this Information Circular is given as at May 3, 2023.

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

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

Voting Securities and Principal Holders of Voting Securities

The Corporation is authorized to issue an unlimited number of Shares without nominal or par value and an unlimited number of preferred shares issuable in series. As at May 3, 2023, there were 36,457,755 Shares and no preferred shares issued and outstanding. Shareholders are entitled to one vote for each Share held. To the best of our knowledge, as of the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs, more than 10% of the voting rights attached to the Shares, other than Rambutan Trading Limited. As of the date hereof, to the best of our knowledge, Rambutan Trading Limited holds 3,694,468 Shares, representing 10.13% of the Shares outstanding.

BUSINESS OF THE MEETING

Election of Directors

The articles of the Corporation require the Corporation have not less than one (1) and not more than fifteen (15) directors, with the actual number of directors holding office from time to time to be determined by the board of directors (the "**Board**"). The Board has resolved that the number of directors be set at six (6). Accordingly, it is proposed that six (6) directors be elected at the Meeting to serve until the next annual meeting or until their successors are duly elected or appointed.

The persons named below are nominees of management for election as directors of the Corporation. Additional information with respect to each of the six (6) proposed nominees for election as director can be found under the heading "*Nominees for Election to the Board of Directors and Director Compensation*", which sets forth each proposed director's place of residence; position held; present principal occupation; and prior occupations within the last five (5) years.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if that does occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

Voting for the election of directors will be conducted on an individual, and not slate, basis. Our Board has also adopted a majority voting policy, which provides that, unless there is a contested election, a director who receives more “withhold” votes than “for” votes must tender their resignation as a director promptly after the meeting. The Board will then consider such resignation and make a recommendation to the Board whether or not it should be accepted. The decision of the Board will be made within 90 days of the Meeting and announced in a press release. The director who tendered such resignation will not be part of any deliberations of the Board or any committee thereof pertaining to the resignation. For more information see “*Governance - Majority Voting Policy*”.

Unless otherwise directed, the persons designated in the enclosed proxy form intend to vote FOR the election of the following nominees for director at the Meeting:

John D. Wright
Roderick L. Fraser
Kenneth R. McKinnon
Corey C. Ruttan
Firoz Talakshi
Geir Ytreland

Appointment of Auditors

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of KPMG LLP, Chartered Accountants, as our auditors, to hold office until the next annual meeting of the Shareholders or until a successor is appointed and to authorize the directors to fix their remuneration for the ensuing year. KPMG LLP was first appointed by the Board effective May 3, 2021.

The audit fees paid to KPMG for the year ended December 31, 2022, are set forth on page 53 of our annual information form (the “**Annual Information Form**”) dated March 21, 2023 for the year ended December 31, 2022, which can be found on our website at www.alvopetro.com or on SEDAR at www.sedar.com.

Unless otherwise directed, the persons designated in the enclosed form of proxy intend to vote at the Meeting FOR the appointment of KPMG LLP as the Corporation’s auditors and authorizing the Board to fix the auditors’ remuneration.

Approval of Omnibus Incentive Plan

Shareholders are being asked to approve the Corporation’s omnibus incentive plan (the “**Omnibus Incentive Plan**”) in accordance with Policy 4.4 of the TSX Venture Exchange (“**TSXV**”). Share-based compensation is a critical component of the Corporation’s compensation program for its executives, directors and employees, as described in more detail under the heading “*Executive Compensation Discussion and Analysis*”. In 2022, Shareholders approved the Omnibus Incentive Plan. Prior thereto the Corporation had a stock option plan (the “**Option Plan**”) pursuant to which directors, officers, employees and consultants of the Corporation were awarded options to purchase Shares (the “**Options**”). The Corporation also had an incentive share plan (the “**Incentive Share Plan**”) which allowed for the issuance of restricted share units (“**RSUs**”), deferred share units (“**DSUs**”) and performance share units (“**PSUs**”). The Option Plan and the Incentive Share Plan are collectively referred to herein as the “**Predecessor Plans**”). The Omnibus Incentive Plan which was first approved in 2022 is a “rolling” share-based compensation plan pursuant to which up to an aggregate of 10% of the Shares outstanding may be reserved for issuance under it and any other security-based compensation plans of the Corporation (including the Predecessor Plans), with a sublimit of 5% of the Shares outstanding being reserved for RSUs, DSUs and PSUs.

Pursuant to the policies of the TSXV, “rolling” share-based compensation plans must receive shareholder approval annually. The terms of the Omnibus Incentive Plan are more fully described in this Information Circular under the heading “*Omnibus Incentive Plan*” and a full copy of the Omnibus Incentive Plan is attached as *Schedule B*. The Predecessor Plans are each more particularly described in *Schedule C – Description of the Option Plan* and *Schedule D – Description of the Incentive Share Plan*. Any Options and other awards granted under the Predecessor Plans continue to be governed by the applicable Predecessor Plan but no further awards are available for grant under the Predecessor Plans following approval of the Omnibus Incentive Plan in 2022.

As of the date hereof, 712,916 Shares are reserved for issuance pursuant to Options, RSUs and DSUs granted and outstanding under the Omnibus Incentive Plan, 827,216 Shares are reserved for issuance pursuant to Options granted and outstanding pursuant to the Corporation's Option Plan and 563,165 Shares are reserved for issuance pursuant to RSUs and DSUs granted and outstanding pursuant to the Corporation's Incentive Share Plan, resulting in a total of 2,103,297 Shares reserved for issuance under the Omnibus Plan and the Predecessor Plans, representing an aggregate 5.8% of the Shares outstanding.

The text of the ordinary resolution to be considered at the Meeting approving the Omnibus Incentive Plan is set forth below:

BE IT RESOLVED as an ordinary resolution of the Shareholders as follows:

1. the Omnibus Incentive Plan as described in this information Circular is hereby approved, confirmed and ratified;
2. the board of directors of the Corporation (or any duly authorized committee of thereof) from time to time is authorized to grant awards in the capital stock of the Corporation pursuant to and in accordance with the Omnibus Incentive Plan and the Corporation is authorized to reserve and issue Shares in the capital of the Corporation for issuance upon exercise or settlement of awards granted pursuant to the Omnibus Incentive Plan; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **It is the intention of the management designees, if named as proxy, to vote in favour of the resolution approving the Omnibus Incentive Plan.**

NOMINEES FOR ELECTION TO THE BOARD AND DIRECTOR COMPENSATION

Director Nominee Overview

The following table sets out the name of each of the persons proposed to be nominated for election as a director, to serve until the next general meeting of shareholders.

Nominee	Principal Occupation	Age	Director Since	Committee Membership		
				Audit Committee	Compensation Committee	Reserves Committee
John D. Wright	President, Analogy Capital Advisors Inc. & Corporate Director	62	2013		✓	✓
Roderick L. Fraser	Independent businessperson & Corporate Director	65	2013	✓	✓	
Kenneth R. McKinnon	Independent businessperson & Corporate Director	64	2013	✓	✓	
Corey C. Ruttan	President, Chief Executive Officer and Director of Alvopetro	52	2013			✓
Firoz Talakshi	Independent businessperson & Corporate Director	75	2013	✓		
Geir Ytreland	Independent geologist & Corporate Director	71	2013			✓

Director Nominee Biographies

John D. Wright

Chairman



Calgary, AB, Canada

Age: 62

Independent

Mr. Wright has over 40 years of oil and gas and industry experience, has been Chairman of the Board of Alvopetro since 2013 and has been the President of Analogy Capital Advisors Inc. since March 2017. He also serves as the Chair of the Board of Directors of Touchstone Exploration Inc. and was previously, the President and Chief Executive Officer and a Director of Petrobank Energy and Resources Ltd. from 2000 to 2012. Mr. Wright was the President and Chief Executive Officer of Petrominerales from inception to May 2010 and then the Chairman of the Board until Petrominerales was acquired in 2013. From January 2017 to June 2017, he was a Director, President and Chief Executive Officer of Ridgeback Resources Inc. Prior thereto, Mr. Wright was a director, President and Chief Executive Officer of Lightstream Resources Ltd. from May 2011 to December 2016. Previously, he served as the President and Chief Executive Officer of Pacalta Resources Ltd. from May 1996 to June 1999; Executive Vice President and Chief Operating Officer of Morgan Hydrocarbons Inc. from December 1993 to April 1996; and Vice President Production of Morgan Hydrocarbons Inc. from 1989 to 1993. Mr. Wright graduated from the University of Alberta in 1981 with a Bachelor of Science degree in petroleum engineering. Mr. Wright is a Professional Engineer and also a Chartered Financial Analyst.

Director Since:

September 25, 2013

Tenure:

9.6 years

Alvopetro Board and Board Committees

Meeting Attendance (2022)

Board (Chairman)	4 of 4	100%
Compensation Committee	3 of 3	100%
Reserves Committee	2 of 2	100%

Shares and DSUs Held– as at December 31, 2022⁽¹⁾⁽²⁾

Shares (#)	DSUs (#)	Equity-at-Risk (\$)	Meets Share Ownership Guideline
1,549,881	47,333	12,011,049	Yes

Roderick L. Fraser

Director



New York, NY USA

Age: 65

Independent

Mr. Fraser is a petroleum engineer with over 40 years of experience in the oil and gas sector initially through increasingly senior industry roles with Amoco, Esso, and Fuel Resources. Mr. Fraser moved to oil and gas investment banking in 1992 and held various senior positions with JP Morgan Chase (Managing Director, Head of Oil & Gas Latin America), WestLB (Managing Director, Head of Oil & Gas Americas), Standard Bank of South Africa (Managing Director, Global Head of Oil & Gas), and, most recently, with MUFG Union Bank (Managing Director and Head of Oil & Gas). Mr. Fraser has also acted as an independent consultant acting as strategic advisor for large financial institutions (investment banks and private equity/hedge funds). Much of Mr. Fraser's banking career has been spent supporting junior exploration and production and services companies develop and implement growth initiatives in emerging markets. Mr. Fraser previously served as a member of the Board of Directors of Dommo Energia S.A., a Brazilian publicly traded company. Mr. Fraser is based in New York City and Salvador, Brazil.

Director Since:

December 16, 2013

Tenure:

9.3 years

Alvopetro Board and Board Committees

Meeting Attendance (2022)

Board	4 of 4	100%
Compensation Committee	3 of 3	100%
Audit Committee	4 of 4	100%

Shares and DSUs Held– as at December 31, 2022⁽¹⁾⁽²⁾

Shares (#)	DSUs (#)	Equity-at-Risk (\$)	Meets Share Ownership Guideline
131,863	47,333	1,347,554	Yes

Kenneth R. McKinnon

Director



Calgary, AB, Canada

Age: 64

Independent

Mr. McKinnon was appointed to the Board of Alvo Petro in 2013 and serves as the Chairman of the Compensation Committee. He also serves as a director of Touchstone Exploration Inc., is the Chair of Touchstone's Compensation and Governance Committee and a member of Touchstone's Audit Committee. Mr. McKinnon has been an independent consultant since July 2020. Prior thereto, he was a Partner at Citrus Capital Partners Ltd. (advisory and consulting firm) from January 2014 to June 2020. Mr. McKinnon previously held various executive positions with Critical Mass (a digital experience design agency) over a period of 18 years, most recently as Senior Vice-President and General Counsel. In addition, Mr. McKinnon was previously a Director, the Chair of the Audit Committee and the Chair of the Compensation and Governance Committee of The Supreme Cannabis Company Inc. from March 2019 to June 2021, a Director of Lightstream Resources Ltd. from October 2009 to December 2016 and held the position of Chair of the Board of Directors from May 2011 through December 2016. Mr. McKinnon previously served on the Board of Governors of the University of Calgary and as a Director of Alberta Innovates, holding positions on the Executive Committee and as Chair of the Compensation and Governance Committees in each organization. Mr. McKinnon is a member of the Institute of Corporate Directors.

Director Since:

November 19, 2013

Tenure:

9.4 years

Alvo Petro Board and Board Committees

Meeting Attendance (2022)

Board	4 of 4	100%
Compensation Committee (Chairman)	3 of 3	100%
Audit Committee	4 of 4	100%

Shares and DSUs Held– as at December 31, 2022⁽¹⁾⁽²⁾

Shares (#)	DSUs (#)	Equity-at-Risk (\$)	Meets Share Ownership Guideline
151,112	47,333	1,492,306	Yes

Corey C. Ruttan

President, Chief Executive Officer and Director



Calgary, AB, Canada

Age: 52

Non-Independent

Mr. Ruttan has over 25 years of oil and gas and industry experience. He was appointed President and Chief Executive Officer and a Director of Alvo Petro in 2013. Previously, Mr. Ruttan was the President and Chief Executive Officer of Petrominerales Ltd. from May 2010 until Petrominerales was acquired by Pacific Rubiales Energy Corp. in November 2013. Prior thereto, he was the Vice President Finance and Chief Financial Officer of Petrominerales since May 2006. From March 2000 to May 2010, Mr. Ruttan was the Senior Vice President and Chief Financial Officer of Petrobank Energy and Resources Ltd. He also served as Executive Vice President and Chief Financial Officer of Lightstream Resources Ltd. from October 2009 to May 2010. Mr. Ruttan previously served as Vice President of Caribou Capital Corp. from June 1999 to March 2000 and Manager Financial Reporting of Pacalta Resources Ltd. from May 1997 to June 1999. Mr. Ruttan obtained his Bachelor of Commerce degree majoring in Accounting from the University of Calgary in 1994 and began his career at KPMG in 1994, obtaining his Chartered Accountant designation in 1997.

Mr. Ruttan is currently a member of the Reserves Committee of the Board. He is also invited to all other committee meetings as a non-voting observer. In 2022, he was in attendance at all Audit Committee and Compensation Committee meetings in addition to the meetings noted below.

Director Since:

September 25, 2013

Tenure:

9.6 years

Alvo Petro Board and Board Committees

Meeting Attendance (2022)

Board	4 of 4	100%
Reserves Committee	2 of 2	100%

Shares and Vested RSUs Held – as at December 31, 2022⁽¹⁾⁽²⁾

Shares (#)	Vested RSUs (#)	Equity-at-Risk (\$)	Meets Share Ownership Guideline
1,354,921	89,333	10,860,790	Yes

Firoz Talakshi*Director*

Calgary, AB, Canada

Age: 75

Independent

Mr. Talakshi was appointed to the Board of Alvopetro in 2013 and serves as the Chairman of the Audit Committee. Mr. Talakshi has extensive experience in corporate tax specializing in international transactions. He has been an independent consultant since December 2018. Prior thereto, he served as a Senior Advisor for KPMG International Corporate Tax (from October 2012 to December 2018) and from 1977 to September 2012, Mr. Talakshi held various positions with KPMG Canada, including Partner, acting as lead tax partner for a number of public companies of varying sizes. Mr. Talakshi previously served on the Board of Governors of the University of Calgary. Mr. Talakshi is a Chartered Professional Accountant and was qualified as a Chartered Accountant in 1973 with the Institute of Chartered Accountants in England and Wales is also a member of the Institute of Chartered Accountants of Alberta. In 2015, Mr. Talakshi received the Fellows of Chartered Accountants Award.

Director Since:

November 19, 2013

Tenure:

9.4 years

Alvopetro Board and Board Committees**Meeting Attendance (2022)**

Board	4 of 4	100%
Audit Committee (Chairman)	4 of 4	100%
Shares and DSUs Held– as at December 31, 2022⁽¹⁾⁽²⁾		
Shares (#)	DSUs (#)	Equity-at-Risk (\$)
53,834	47,333	760,776
		Meets Share Ownership Guideline
		Yes

Geir Ytreland*Director*

Drobak, Norway

Age: 71

Independent

Mr. Ytreland was appointed to the Board of Alvopetro in 2013 and serves as the Chair of the Reserves Committee. Mr. Ytreland is a geologist with more than 35 years experience in the international petroleum industry. He is now an independent geologist based in Norway. Until May 2014, Mr. Ytreland worked as a Principal Advisor with Gaffney, Cline & Associates, United Kingdom. Since 2004, Mr. Ytreland worked as an advisor and project manager in development and cooperation projects for the Norwegian government in East Timor, Afghanistan and some Latin American and African countries. Mr. Ytreland also worked as a geoscientist and explorationist at Unocal for 13 years and at Norsk Hydro for seven years in Southeast Asia, Africa, Europe, United States, the Middle East and Latin America. He was General Manager for Norsk Hydro in Venezuela from 1995 to 2000. Mr. Ytreland holds a Master of Science degree in Geology from the University of Bergen in Norway.

Director Since:

November 19, 2013

Tenure:

9.4 years

Alvopetro Board and Board Committees**Meeting Attendance (2022)**

Board	4 of 4	100%
Reserves Committee (Chairman)	2 of 2	100%
Shares and DSUs Held– as at December 31, 2022⁽¹⁾⁽²⁾		
Shares (#)	DSUs (#)	Equity-at-Risk (\$)
79,565	47,333	954,273
		Meets Share Ownership Guideline
		Yes

Notes:

- (1) The information as to Shares beneficially owned, directly or indirectly, is based upon information furnished to the Corporation by the nominees.
- (2) The equity-at-risk value is computed as of December 31, 2022 based on the closing price of the Corporation's Shares on December 31, 2022 which was \$7.52 multiplied by the number of Shares and DSUs or vested RSUs held.

Skills and Experience

The Board established a matrix of skills and competencies that it views as necessary to oversee Alvo Petro's business and strategic objectives to effectively carry out the mandate of the Board. The skills matrix was completed based on information from individual self-assessments. The Board reviews the skills matrix for individual directors and the Board in aggregate to ensure that the Board's membership represents a diversity of backgrounds, experience and skills. The Board has determined that the current director nominees have significant relevant experience in all aspects of our business and the required skills are well represented by the current slate of director nominees for election at the Meeting. The matrix that follows shows, for each director nominee, the principal areas of experience and expertise that the nominees have indicated they bring to the Board.

	Wright	Fraser	McKinnon	Ruttan	Talakshi	Ytreland
Alvo Petro Director Skills Matrix						
<i>Corporate Governance</i> Experience with and understanding of the requirements of good corporate governance.	●	⊙	●	●	⊙	⊙
<i>Strategic planning</i> Experience in developing, implementing and monitoring short and long-term strategic planning.	●	●	●	●	●	⊙
<i>Risk management</i> Experience in evaluating, managing and mitigating overall business risks.	●	●	⊙	●	●	●
<i>Energy industry knowledge</i> Understanding of the energy industry including exploration, production and marketing aspects of the business.	●	●	⊙	●	○	●
<i>Reserves evaluation</i> Experience with oil and gas reserves evaluation and reporting requirements.	●	●	○	●	○	●
<i>International operations</i> Experience with international oil and gas operations.	●	●	⊙	●	⊙	●
<i>Health, safety, environment & communities</i> Experience with industry regulations and best practices regarding workplace health & safety, social responsibility and environmental issues.	●	⊙	⊙	⊙	○	●
<i>Finance/Accounting</i> Ability to critically review, analyze and interpret financial statements and projections and use them to guide strategic business decisions.	●	●	●	●	●	⊙
<i>Capital markets</i> Ability to access and assess capital market opportunities in Canada and internationally.	●	●	⊙	●	○	○
<i>Business development</i> Experience in identifying, evaluating and executing on strategic, value-added opportunities and leading a business through potential mergers and acquisitions.	●	●	⊙	●	⊙	●
<i>Human resources</i> Experience related to human resources, compensation, talent management, succession planning and knowledge of creating effective compensation plans.	●	●	●	●	⊙	⊙
<i>Senior Leadership</i> Experience leading an organization, major business segment or functional area.	●	●	●	●	●	●
<i>Legal</i> Experience with international oil and gas laws, capital markets, merger and acquisitions disclosure and related reporting requirements.	●	●	●	●	⊙	⊙

● - Most significant areas of expertise

⊙ - Areas of considerable expertise

○ - Basic/broad expertise

Director Share Ownership Requirements

Although the directors and officers of the Corporation are always encouraged to invest in the Corporation and have historically maintained high levels of equity ownership, in 2021, the Board approved formal share ownership guidelines (the “**Share Ownership Guidelines**”) for the Corporation’s directors and officers. The Board is of the view that directors and officers can more effectively represent the interests of Shareholders if they have a significant investment in the Shares. The Share Ownership Guidelines require each non-executive Director (other than the Chairman) to hold a minimum total of 50,000 Shares and DSUs with a value equal to a minimum of 3 times the annual cash fees earned. The Chairman of the Board is required to hold a minimum total of 100,000 Shares and DSUs with a value equal to a minimum of 5 times the annual cash fees earned. Directors were required to comply with the guidelines on or before December 31, 2021. Any future appointed directors will have three years from appointment to satisfy the requirements. As of December 31, 2022, all directors satisfied the Share Ownership Guidelines.

Shares and DSUs are counted towards share ownership requirements and are valued as the total of: 1) the number of Shares held by the director multiplied by the greater of: a) the original cost of Shares purchased by director based on the value on the acquisition date; and b) the current fair market value of the Shares held based on the weighted average trading price of the Shares on the TSXV for the five trading days immediately prior to the date of calculation, plus 2) the value of all DSUs held based on the weighted average trading price of the Shares on the TSXV for the five trading days immediately prior to the date of calculation.

The following table sets out the number and value of Shares and DSUs held by each non-executive director as of December 31, 2022. All directors have met the Share Ownership Guidelines. For details with respect to Share Ownership Guidelines for Mr. Ruttan and other named executive officers, see the heading entitled “*Executive Compensation Discussion and Analysis – Named Executive Share Ownership Requirements.*”

Name	Shares and DSUs				Equity at Risk			Share Ownership Met
	Shares ⁽¹⁾ (#)	DSUs ⁽²⁾ (#)	Total Shares & DSUs (#)	Minimum Shares & DSUs required	Value (\$) ⁽³⁾	Multiple of Annual Cash Fees ⁽³⁾	Minimum Multiple Required	
John D. Wright	1,549,881	47,333	1,597,214	100,000	12,011,049	184.8	5.0	Yes
Roderick L. Fraser	131,863	47,333	179,176	50,000	1,347,554	28.1	3.0	Yes
Kenneth R. McKinnon	151,112	47,333	198,445	50,000	1,492,306	28.2	3.0	Yes
Firoz Talakshi	53,834	47,333	101,167	50,000	760,776	15.8	3.0	Yes
Geir Ytreland	79,565	47,333	126,898	50,000	954,273	22.2	3.0	Yes

Notes:

- (1) Shares owned, controlled, or directed and not subject to any holding periods, as of December 31, 2022.
- (2) DSUs granted to the director and outstanding as of December 31, 2022. Each DSU entitles the holder to one Share upon vesting or retirement or resignation.
- (3) For purposes of the table above, the value of the Shares & DSUs held is based on the closing price of the Shares on December 31, 2022, which was \$7.52.
- (4) Equal to the equity at risk value (see footnote 3) divided by the total cash fees earned by the director in 2022 as shown in “*Director Compensation – Directors’ Compensation Table*”.

Director Compensation

General

The compensation committee of the Board (the “**Compensation Committee**”) is responsible to recommend for consideration and approval by the Board as a whole the compensation program for the directors. The Board has intentionally kept the number of directors low to manage overall costs while still ensuring a globally diverse and experienced Board. The main objectives of the compensation program for the directors are to attract and retain the services of the most qualified directors, compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in Board membership and is competitive with the Corporation’s peers and align the interests of the directors with Shareholders. Corey C. Ruttan, the President and Chief

Executive Officer of the Corporation, is also a director. Mr. Ruttan does not receive any compensation specifically in relation to his duties as a director and references to the directors under this heading do not include him.

2022 Director Compensation

In 2021 the Compensation Committee retained Hugessen Consulting Inc. ("**Hugessen**"), an independent compensation consultant, to review and advise on the compensation for the Corporation's directors and the named executive officers. For further information, see the section entitled "*Compensation Consultants and Advisors*" in "*Executive Compensation Discussion and Analysis*".

Following the Hugessen review, the director compensation program set out below was implemented for 2021. In 2022, the Compensation Committee reviewed the findings from the 2021 Hugessen report and determined inflation adjustments were appropriate and the changes noted in the table below were effected for the 2022 compensation.

	2021 (\$)	2022 (\$)
Annual Board Retainer (cash)		
Member	36,000	38,000
Chair ⁽¹⁾	60,000	65,000
Committee Chair Premiums (cash)		
Audit Committee Chair	10,000	10,000
Compensation Committee Chair	10,000	10,000
Reserves Committee Chair	4,000	5,000
Committee Member Premiums (cash) ⁽²⁾		
Audit Committee Member	5,000	5,000
Compensation Committee Member	5,000	5,000
Reserves Committee Member	2,000	2,000
Annual long-term incentive grant (DSUs & Options)		
Board Chair	50,000	65,000
Board member	50,000	65,000

Notes:

- (1) The Chair of the Board does not receive any additional fees for any committee they serve on.
(2) Committee Chairs are entitled to only the chair premium for the respective committee and do not receive the member premium.

No additional amounts are paid for meeting fees and no amounts were paid in respect of travel to any meetings. All amounts are paid annually, typically in November.

Directors' Compensation Table

The table below sets out the compensation provided to non-management directors in respect of 2022.

Name	Cash Fees Earned (\$)	Option-Based Awards ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾ (\$)	All Other Compensation ⁽³⁾ (\$)	Total (\$)
John D. Wright	65,000	19,713	59,220	17,745	158,378
Roderick L. Fraser	48,000	19,713	59,220	17,745	141,378
Kenneth R. McKinnon	53,000	19,713	59,220	17,745	146,378
Firoz Talakshi	48,000	19,713	59,220	17,745	141,378
Geir Ytreland	43,000	19,713	59,220	17,745	136,378

Notes:

- (1) Option Based Awards consist of Options granted pursuant to the Omnibus Incentive Plan. The fair value of Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the Omnibus Incentive Plan, see details provided in the section entitled "*Omnibus Incentive Plan*".
(2) Share-Based Awards consist of DSUs granted under the Omnibus Incentive Plan. The fair value of DSUs is granted based on the closing price of the Shares on the TSXV on the date prior grant date. For a description of the terms of the Omnibus Incentive Plan, see details provided in the section entitled "*Omnibus Incentive Plan*".

- (3) All Other Compensation reflects the value of dividends declared in 2022 on DSUs outstanding at each dividend record date on DSUs granted under the predecessor Incentive Share Plan. As the Corporation had reached the maximum limit of the Incentive Share Plan, the Corporation was not able to issue additional DSUs in respect of such dividends and the dividend equivalent amounts shall be paid in cash on the future exercise of the associated DSUs.

Stock Options and Other Compensation Securities Granted

The following table sets forth, with respect to each of the directors, details regarding all stock options and DSUs granted in the year ended December 31, 2022.

Name	Type of compensation security	Number of underlying compensation securities and underlying securities	Date of grant⁽¹⁾	Exercise price per security (\$)⁽²⁾	Closing price per security on date of grant (\$)⁽²⁾	Closing price per security on Dec 31, 2022 (\$)
John D. Wright	Option	14,000	7-Dec-22	6.96	6.99	7.52
John D. Wright	DSU	8,000	7-Dec-22	-	6.99	7.52
Roderick L. Fraser	Option	14,000	7-Dec-22	6.96	6.99	7.52
Roderick L. Fraser	DSU	8,000	7-Dec-22	-	6.99	7.52
Kenneth R. McKinnon	Option	14,000	7-Dec-22	6.96	6.99	7.52
Kenneth R. McKinnon	DSU	8,000	7-Dec-22	-	6.99	7.52
Firoz Talakshi	Option	14,000	7-Dec-22	6.96	6.99	7.52
Firoz Talakshi	DSU	8,000	7-Dec-22	-	6.99	7.52
Geir Ytreland	Option	14,000	7-Dec-22	6.96	6.99	7.52
Geir Ytreland	DSU	8,000	7-Dec-22	-	6.99	7.52

Notes

(1) All Options and DSUs granted on December 7, 2022 vest one-third per year commencing on November 24, 2023.

(2) The exercise price of Options is based on the weighted average trading price of the Shares for the five trading days immediately preceding the grant date and therefore may differ from the closing price on the date of grant.

Outstanding Options as at December 31, 2022

The following table sets forth, with respect to each of the directors, details regarding Options outstanding as at December 31, 2022.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)
John D. Wright	6,666	2.46	24-Nov-2025	33,730
	20,000	4.84	19-Nov-2026	53,600
	14,000	6.96	07-Dec-2027	7,840
Roderick L. Fraser	5,555	2.46	24-Nov-2025	28,108
	13,333	4.84	19-Nov-2026	35,732
	14,000	6.96	07-Dec-2027	7,840
Kenneth R. McKinnon	5,555	1.29	23-Nov-2023	34,608
	11,111	2.25	19-Nov-2024	58,555
	16,667	2.46	24-Nov-2025	84,335
	20,000	4.84	19-Nov-2026	53,600
	14,000	6.96	07-Dec-2027	7,840
Firoz Talakshi	16,667	0.96	23-May-2023	109,336
	16,667	1.29	23-Nov-2023	103,835
	16,667	2.25	19-Nov-2024	87,835
	16,667	2.46	24-Nov-2025	84,335
	20,000	4.84	19-Nov-2026	53,600
	14,000	6.96	07-Dec-2027	7,840
Geir Ytreland	5,555	2.25	19-Nov-2024	29,275
	11,111	2.46	24-Nov-2025	56,222
	20,000	4.84	19-Nov-2026	53,600
	14,000	6.96	07-Dec-2027	7,840

Note:

(1) The value of unexercised in-the-money Options is calculated for outstanding vested and unvested Options based on the difference between the noted exercise price for the applicable grant and the closing price of the Shares on the TSXV on December 31, 2022, being \$7.52.

Outstanding Share-Based Awards as at December 31, 2022

The following table sets forth, with respect to each director, details regarding DSUs outstanding as of December 31, 2022.

Name	Number of DSUs that have not vested (#)	Number of vested DSUs not distributed (#)	Expiration Date	Value of DSUs that have not vested ⁽¹⁾ (\$)	Value of vested DSUs not distributed ⁽¹⁾ (\$)
John D. Wright	33,333	-	28-Jun-2026	250,664	-
	4,000	2,000	19-Nov-2026	30,080	15,040
	8,000	-	07-Dec-2027	60,160	-
Roderick L. Fraser	33,333	-	28-Jun-2026	250,664	-
	4,000	2,000	19-Nov-2026	30,080	15,040
	8,000	-	07-Dec-2027	60,160	-
Kenneth R. McKinnon	33,333	-	28-Jun-2026	250,664	-
	4,000	2,000	19-Nov-2026	30,080	15,040
	8,000	-	07-Dec-2027	60,160	-
Firoz Talakshi	33,333	-	28-Jun-2026	250,664	-
	4,000	2,000	19-Nov-2026	30,080	15,040
	8,000	-	07-Dec-2027	60,160	-
Geir Ytreland	33,333	-	28-Jun-2026	250,664	-
	4,000	2,000	19-Nov-2026	30,080	15,040
	8,000	-	07-Dec-2027	60,160	-

Notes:

- (1) Each DSU entitles the holder to receive one Share upon vesting. The value of DSUs in the table above is based on the closing price of the Shares on the TSXV on December 31, 2022, being \$7.52.

Incentive Plan Awards – Value Vested or Earned During the 2022 Year

The following table sets forth, with respect to each of the directors the aggregate dollar value that would have been realized if the Options and DSUs which vested in 2022 had been exercised on the vesting date.

Name	Options Value vested during 2022 ⁽¹⁾ (\$)	DSUs Value vested during 2022 ⁽²⁾ (\$)
John D. Wright	71,470	13,320
Roderick L. Fraser	61,582	13,320
Kenneth R. McKinnon	61,582	13,320
Firoz Talakshi	61,582	13,320
Geir Ytreland	61,582	13,320

Note:

- (1) The value vested during 2022 for Options is calculated based on the number of Options which vested in the year multiplied by the difference between the closing price of the Shares on the TSXV on each of the applicable vesting dates and the exercise price of the Options on the vesting dates.
- (2) The value vested during 2022 for DSUs is calculated based on the number of DSUs which vested in the year multiplied by the closing price of the Shares on the TSXV on each of the applicable vesting dates.

Compensation Securities Exercised

The following table discloses, with respect to each of the directors, the details associated with all exercises of compensation securities during the year ended December 31, 2022.

Name	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Geir Ytreland	Options	5,555	1.29	22-Mar-22	5.50	4.21	23,387
Geir Ytreland	Options	5,556	2.25	22-Mar-22	5.50	3.25	18,057
Geir Ytreland	Options	5,556	2.46	22-Mar-22	5.50	3.04	16,890
Roderick L. Fraser	Options	5,555	2.25	01-Dec-22	6.98	4.73	26,275
Roderick L. Fraser	Options	5,556	2.46	01-Dec-22	6.98	4.52	25,113
Roderick L. Fraser	Options	6,667	4.84	01-Dec-22	6.98	2.14	14,267
John D. Wright	Options	6,666	1.29	12-Dec-22	7.52	6.23	41,529
John D. Wright	Options	13,333	2.25	12-Dec-22	7.52	5.27	70,265
John D. Wright	Options	13,334	2.46	12-Dec-22	7.52	5.06	67,470

Cease Trade Orders, Bankruptcies, Insolvencies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any other issuer that:

- (a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under Canadian securities legislation that lasted for a period of more than thirty (30) consecutive days 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 a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than thirty (30) consecutive days 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 the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies and Insolvencies

Except as otherwise disclosed below, to the knowledge of management of the Corporation, no proposed director of the Corporation:

- (a) is, at the date of this Information Circular or has been within the ten (10) years before the date of this Information Circular, a director or executive officer of any 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 ten (10) years before the date of this Information Circular, become 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 the assets of the director, officer or shareholder.

Mr. John D. Wright was a director of Spyglass Resources Corp. ("**Spyglass**"), a reporting issuer listed on the Toronto Stock Exchange, until his resignation on November 26, 2015, when Spyglass was placed into receivership by the Court of Queen's Bench of Alberta following an application by its creditors.

Mr. John D. Wright was the President and Chief Executive Officer and a director of Lightstream Resources Ltd. ("**Lightstream**") and Messrs. Corey C. Ruttan and Kenneth R. McKinnon were directors of Lightstream when it obtained creditor protection under the Companies' Creditors Arrangement Act (Canada) ("**CCAA**") on September 26, 2016. On December 29, 2016, as a result of the CCAA sales process, substantially all of the assets and business of Lightstream were sold to Ridgeback Resources Inc. ("**Ridgeback**"), a new company owned by former holders of Lightstream's secured notes. Mr. Ruttan and Mr. McKinnon resigned as directors of Lightstream upon formation of Ridgeback. Mr. Wright resigned as an officer and director of Lightstream and was concurrently appointed President and Chief Executive Officer and a director of Ridgeback upon closing of the sale transaction with Lightstream, a position he held to June 2017.

On November 30, 2017, Mr. John D. Wright became a director of OAN Resources Ltd. ("**OAN**"), a private issuer and on May 17, 2018, Mr. Corey C. Ruttan also became a director of OAN. On June 14, 2019, the management of OAN filed a Notice of Intention to Make a Proposal under subsection 50.4(1) of the Bankruptcy and Insolvency Act to restructure OAN's affairs. Mr. Wright and Mr. Ruttan resigned as directors of OAN on October 10, 2019. OAN was unable to file a proposal within the provided period and was deemed to have made an assignment into bankruptcy on October 13, 2019.

Penalties and Sanctions

Except as otherwise disclosed below, to the knowledge of management of the Corporation, no proposed director of the Corporation has:

- (a) 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 the Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Corey C. Ruttan entered into a settlement agreement with the Alberta Securities Commission ("**ASC**") on May 3, 2002 in respect of an insider trading violation relating to a May 17, 2000 trade. Mr. Ruttan cooperated completely in resolving the matter with the ASC. The settlement resulted in Mr. Ruttan paying an administrative penalty of \$10,000, representing a return of profits, and the costs of the proceeding in the amount of \$3,925. For a period of one year, Mr. Ruttan agreed to cease trading in securities and to not act as a director or officer of a public company. These restrictions expired on May 3, 2003. Mr. Ruttan is a Chartered Professional Accountant in good standing.

GOVERNANCE

General

While the Board has delegated the responsibility for day-to-day management of the Corporation to management, the Board has implicitly and explicitly acknowledged its responsibility for the stewardship of the Corporation, including the responsibility for:

- (a) approving and monitoring the Corporation's strategic planning through a regular reporting and review process;
- (b) the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (c) the appointment of the senior executive officers and succession planning; and

- (d) ensuring timely and accurate communications to shareholders of financial and other matters in accordance with applicable laws.

At the Corporation's expense, individual directors may engage outside advisors on any matter, when it considers it necessary or desirable. The Board or any committee of the Board has the sole authority to retain and terminate any such advisors, including sole authority to review an advisor's fees and other retention terms.

Majority Voting Policy

Shareholders should note that the form of proxy or voting instruction form allows for voting for individual directors rather than for directors as a slate. In addition, the Board adopted a majority voting policy (the "**Majority Voting Policy**") effective April 22, 2014, pursuant to which, in an uncontested election of directors, a director who receives more "withhold" votes than "for" votes at the annual meeting of Shareholders will tender his or her resignation to the chair of the Board, to be effective upon acceptance by the Board. The Board will expeditiously consider the director's offer to resign and determine whether or not to accept the offer. The Board will make its decision and announce it in a news release within 90 days following the annual meeting, including the reasons for its decision. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Board at which the resignation is considered. The Corporation expects that any such resignation will be accepted by the Board unless special circumstances exist that warrant the resigning director continuing to serve on the Board. For this reason, unless such special circumstances exist, a withhold vote in respect of a director is equivalent to voting against the election of such director.

Mandate of the Board

The Board and each of its Committees (defined below) have written mandates. Refer to Schedule "A" of this Information Circular for the full text of the mandate of the Board. The Board has the responsibility to oversee the conduct of the business of the Corporation and has delegated the responsibility for the day-to-day conduct of the business to the President and Chief Executive Officer and other members of management, subject to compliance with plans and objectives that may be approved from time to time by the Board.

Composition of the Board

The Board is currently comprised of six (6) members, a majority (five) of whom are considered independent. Messrs. Fraser, Ytreland, McKinnon, Wright (Chairman of the Board) and Talakshi are independent directors.

Mr. Ruttan is not considered an independent director as he would be considered to have a "material relationship", as defined in National Instrument 52-110 - *Audit Committees*, with the Corporation, as Mr. Ruttan is the current President and Chief Executive Officer of Alvopetro.

Board Meetings

The Board is scheduled to meet at least quarterly, with additional meetings held as appropriate or required. The Board will also meet as necessary to consider specific developments or opportunities as they arise. Where appropriate, key management personnel and professional advisors are invited to attend meetings to speak to these issues.

While the Board does not hold regularly scheduled meetings comprised solely of independent directors, a portion of each Board meeting consists of an *in-camera* session of the independent directors, where members of management of the Corporation are not in attendance.

In addition, the Board holds a dedicated Board strategy session each year to ensure alignment and to facilitate clear communication between the Board and senior management with respect to corporate strategy. Discussions also occur at regularly scheduled Board meetings throughout the year to update the corporate strategy and to address and prioritize developments, opportunities, and issues that arise during the year.

In 2022, the Board held four (4) meetings, at which all directors were in attendance. In 2022, the audit committee of the Board (the "**Audit Committee**") held four (4) meetings, at which all committee members were in attendance. In 2022, the reserves committee of the Board (the "**Reserves Committee**") held two (2) meetings, at which all committee members were in attendance and the Compensation Committee held three (3) meetings, at which all committee members were in attendance.

Members of the Alvopetro Board who are Directors of Other Reporting Issuers

The following table sets forth the Board members' directorship of other reporting issuers.

Director	Other Public Company Directorships
Geir Ytreland	----
Kenneth R. McKinnon	Touchstone Exploration Inc.
Corey C. Ruttan	----
Firoz Talakshi	----
John D. Wright	Touchstone Exploration Inc.
Roderick L. Fraser	----

Committees of the Board

The Board has three (3) committees: the Audit Committee, the Reserves Committee and the Compensation Committee (collectively, the "**Committees**"). All of the Committees operate under written mandates. The Board may also form independent or special committees from time to time to evaluate certain transactions. The Chair of each Committee is charged with leading and assessing each committee to ensure it fulfills its mandate.

The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities by reviewing: (i) the financial reports and other financial information provided by Alvopetro to any regulatory body or the public; (ii) the Corporation's systems of internal controls regarding preparation of those financial statements and related disclosures that management and the Board have established; and (iii) the Corporation's auditing, accounting and financial reporting processes generally.

The purpose of the Compensation Committee is to assist the Board in fulfilling its responsibility by reviewing, evaluating and determining matters relating to compensation of the directors, officers and employees of the Corporation.

The primary function of the Reserves Committee is to assist the Board in (i) the selection, engagement and instruction of an independent reserves evaluator for the Corporation; (ii) ensuring there is a process in place to provide all relevant reserves data to the independent reserves evaluator; and (iii) monitoring and reviewing the preparation of the independent reserves evaluation of the Corporation.

Orientation and Continuing Education

The Board provides an informal orientation program for all new directors. New members of the Board are provided with background information about the Corporation's business, current issues and corporate strategy. New members of the Board also receive a copy of the Corporation's Vision and Values statement, the disclosure, confidentiality and trading policy (the "**Disclosure, Confidentiality and Trading Policy**"), and all policies of the Corporation. In addition, all directors, both current and new, are encouraged to attend, at the expense of the Corporation, applicable educational programs so as to ensure that they are familiar with aspects of the Corporation's operations and assets. Educational programs are also provided for directors on an 'as requested' basis. As well, any Board member has unrestricted direct access to any member of senior management and their staff at any time.

The Board believes that these procedures are practical and effective in light of the Corporation's particular circumstances, including the size of the Board, the size of the Corporation, the nature and scope of the Corporation's business and operations and the experience and expertise of Board members.

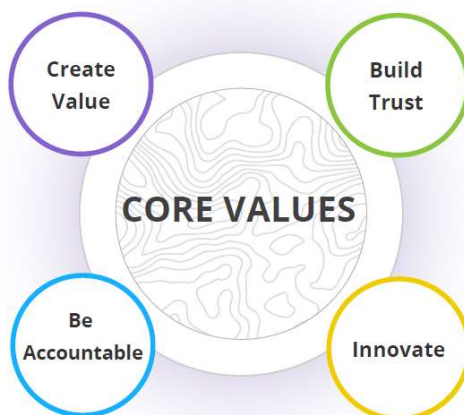
Code of Ethics and Policies

1 Create Value

- Create long-term per-share growth
- Always act as owners
- Focus on long-term profitability and recognize the interests of all our stakeholders
- Look for best value when making spending decisions

3 Be Accountable

- Work collaboratively
- Share ideas across groups and locations
- Objectively measure our performance
- Learn from both our successes and failures and celebrate our successes
- Take responsibility and accountability in everything we do



2 Build Trust

- Treat our people and all our stakeholders with respect
- Act with honesty and integrity
- Be 100% committed to safety
- Minimize our environmental footprint
- Meet or exceed regulations using international best practices

4 Innovate

- Take initiative and tackle challenges creatively
- Manage risks and find innovative solutions
- Challenge ourselves and each other
- Focus on continuous improvement

The Corporation's core values (the "**Core Values**") outline the four main guiding principles of the Corporation: (i) Create Value; (ii) Build Trust; (iii) Be Accountable; and (iv) Innovate. The Core Values are part of the Corporation's code of conduct (the "**Code of Conduct**"), which encourages and promotes a culture of ethical business conduct within the Corporation. The Corporation has also formalized a human rights policy (the "**Human Rights Policy**"), which outlines its commitment to human rights and all processes and procedures to be undertaken in adherence of the Human Rights Policy.

The Board has adopted an extensive Disclosure, Confidentiality and Trading Policy to which all its directors, officers, employees and consultants are subject. This policy encourages ethical conduct in that it reflects the importance of confidentiality in respect of the Corporation's activities and restricts trading in the securities of the Corporation at times when individuals may be in possession of material non-public information. In addition, the Disclosure, Confidentiality and Trading Policy covers the timely reporting of material information in accordance with applicable laws and rules. The Disclosure, Confidentiality and Trading Policy is administered by senior officers who are responsible for reviewing material public disclosures.

The Corporation has a whistleblower policy (the "**Whistleblower Policy**") to permit employees, directors, officers, consultants and external third parties to anonymously report concerns regarding compliance with corporate policies and applicable laws, as well as any concerns regarding auditing, internal control and accounting matters. These procedures are designed to ensure that all reports are treated as confidential.

In addition, the Corporation has formal anti-corruption policies as part of its Code of Conduct and requires all employees, directors and consultants to complete an annual certification each year with respect to anti-corruption and all of the policies of the Corporation. Compliance with the Corporation's various policies is monitored by management of the Corporation, with reports to the Board, if necessary.

Copies of the Corporation's Core Values, Code of Conduct, Human Rights Policy and Whistleblower Policy are available on the Corporation's website at www.alvopetro.com.

Management prepares informational memos that are distributed to all staff members on topics that are relevant to the Corporation and the applicable legislation under which we operate.

Board members must disclose any potential conflicts of interest in respect of matters addressed at Board meetings. Each member of the Board must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such Director has a conflict of interest.

Diversity and Inclusion

Alvopetro recognizes the benefits of diversity and inclusion, both at the Board level and throughout all levels of the organization. Alvopetro's hiring practices require the inclusion of a diverse pool of candidates and all candidates are chosen based on merit and skills. The Corporation is committed to providing an inclusive workplace and is focused on providing advancement opportunities to all persons. As of December 31, 2022, 33% of the Corporation's employees are women and 44% of the Corporation's managers and senior leaders are women, including one female executive officer (representing 33% of the executive team).

Nomination of Board Members

The Board retains overall responsibility to identify and recommend suitable candidates for nomination for election as directors of the Corporation and consider the competencies and skills the Board, as a whole, should possess.

The Corporation's director nomination process requires the inclusion of a diverse group of candidates, considering many factors when contemplating additions to the Board including skills, knowledge, regional and industry experience, education, gender, age, independence, ethnicity, societal and other differentiating factors. Consideration for nominations will be based on these factors and the needs of the Board at the applicable time in order to maximize the effectiveness of the Board. The Corporation has not adopted specific targets regarding various diversity targets or quotas as it does not believe that such quotas are necessary at this time given the size of the Board, the diversity in backgrounds and skills, and its existing nomination process.

Board Assessments

The Board periodically reviews the effectiveness of the Board, its committees, and the contributions of individual Board members. The objective of the assessments are to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. The assessments consider, in the case of the Board or a Committee, the applicable mandate, and the competencies and skills each individual director is expected to bring to the Board and the Committees on which they are members of. In 2021 the Board established the skills matrix as discussed further above in "*Skills and Experience*".

Tenure and Retirement Policy

The Corporation has not adopted formal policies regarding retirement or director term limits.

EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

Named Executive Officers

This discussion describes the Corporation's compensation program for its named executive officers (the "Named Executives") for the year ended December 31, 2022, which consisted of Corey C. Ruttan, President and Chief Executive Officer, Alison Howard, Chief Financial Officer and Adrian Audet, Vice President, Asset Management.

Named Executive Officer Profiles

The following provides an overview of each Named Executive's 2022 total compensation, compared to 2021 total compensation and the percentage of 2022 compensation considered 'at risk'. All Named Executives reside in Calgary, Alberta Canada. All compensation amounts included herein are in Canadian dollars.

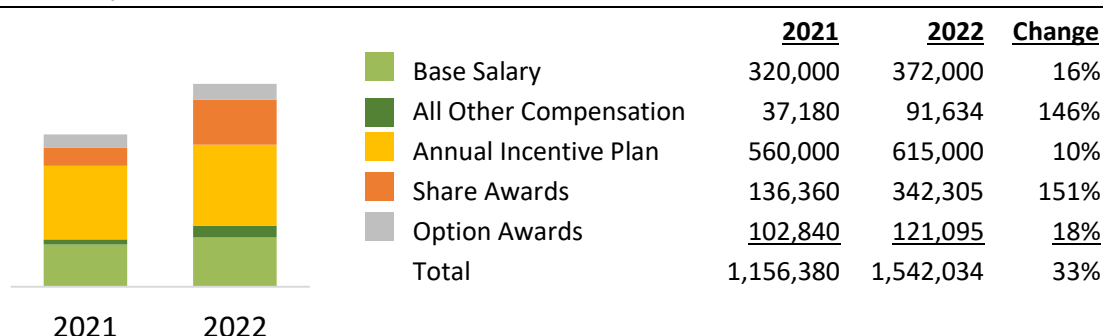
Corey C. Ruttan

President, Chief
Executive Officer and
Director

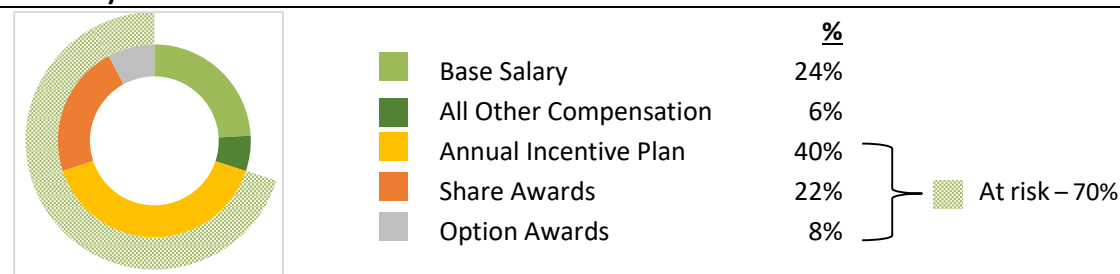


Alvopetro: 9+ years
Industry: 25+ years

Total Compensation



2022 Pay Mix



Shares and Vested RSUs Held – as at December 31, 2022

Shares (#)	Vested RSUs (#)	Equity-at-Risk ⁽¹⁾ (\$)	Meets Share Ownership Guideline
1,354,921	89,333	10,860,790	Yes

Alison Howard

Chief Financial
Officer

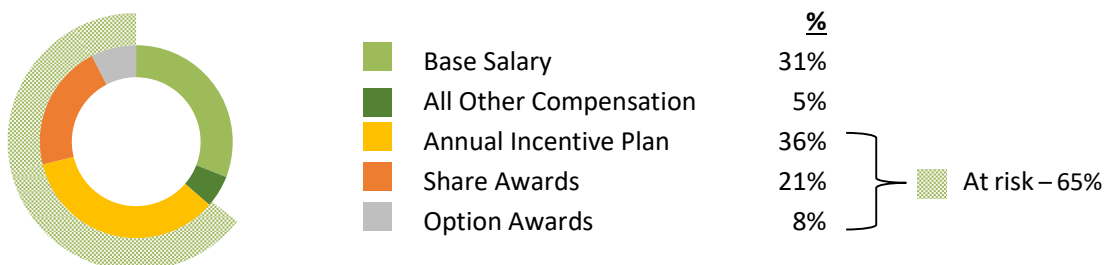


Alvopetro: 9+ years
Industry: 20+ years

Total Compensation

	<u>2021</u>	<u>2022</u>	<u>Change</u>
Base Salary	235,000	275,000	17%
All Other Compensation	23,240	47,901	106%
Annual Incentive Plan	288,000	310,000	8%
Share Awards	77,920	188,617	142%
Option Awards	<u>54,126</u>	<u>67,588</u>	<u>25%</u>
Total	678,286	889,106	31%

2022 Pay Mix



Shares and Vested RSUs Held – as at December 31, 2022

Shares (#)	Vested RSUs (#)	Equity-at-Risk ⁽¹⁾ (\$)	Meets Share Ownership Guideline
431,308	38,667	3,534,212	Yes

Adrian Audet

Vice President, Asset
Management

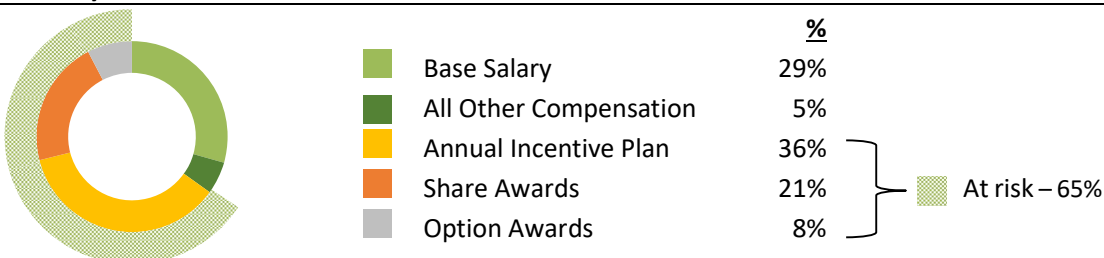


Alvopetro: 9+ years
Industry: 15+ years

Total Compensation

	<u>2021</u>	<u>2022</u>	<u>Change</u>
Base Salary	200,000	240,000	20%
All Other Compensation	22,431	44,670	99%
Annual Incentive Plan	245,000	295,000	20%
Share Awards	68,180	174,646	156%
Option Awards	<u>48,714</u>	<u>61,956</u>	<u>27%</u>
Total	584,325	816,272	40%

2022 Pay Mix



Shares and Vested RSUs Held – as at December 31, 2022

Shares (#)	Vested RSUs (#)	Equity-at-Risk ⁽¹⁾ (\$)	Meets Share Ownership Guideline
81,118	38,001	895,775	Yes

Note:

- (1) The equity-at-risk value is computed as of December 31, 2022 based on the closing price of the Corporation's Shares on December 31, 2022 which was \$7.52 multiplied by the number of Shares and vested RSUs held.

Compensation Committee and Compensation Governance

The Compensation Committee is charged with the establishment, administration and periodic review of Alvopetro's compensation program. The members of the Compensation Committee are Kenneth R. McKinnon (Chairman), John D. Wright and Roderick L. Fraser. As required by the mandate of the Compensation Committee, all of the members of the Compensation Committee are independent directors. The Board believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. All members of the Compensation Committee possess human resources literacy, meaning an understanding of compensation theory and practice, personnel management and development, succession planning and executive development. Such knowledge and capability include both current and prior experience working in senior roles at other organizations, which provided financial and human resources experience and involvement on board compensation committees of other entities. Mr. Kenneth McKinnon has direct experience relevant to his role on the Compensation Committee, as Mr. McKinnon is currently the Chairman of the Compensation Committee of Touchstone Exploration Inc. Previously, he was Chairman of the Compensation and Governance Committee of The Supreme Cannabis Company, Inc., Chairman of the Compensation Committee of Lightstream Resources Ltd. and served on the Board of Governors of the University of Calgary and as a Director of Alberta Innovates, holding positions on the executive committee and as a Chairman of the Compensation and Governance Committee in each organization. The Compensation Committee met three times in 2022 and has met once to date in 2023. In addition to the formal Compensation Committee Meetings, the Chairman of the Compensation Committee held informal meetings throughout the year with the President and Chief Executive Officer.

The Compensation Committee has the ability to retain the services of independent compensation consultants to provide information and recommendations on market conditions and appropriate compensation practices. In 2021, the Compensation Committee retained Hugessen to review and advise on the compensation for the Corporation's directors and the named executive officers, as discussed in further detail below.

Executive Compensation

The Named Executive compensation program is administered by the Compensation Committee. The President and Chief Executive Officer of the Corporation typically attends meetings of the Compensation Committee but does not have the right to vote on any matter before the Compensation Committee. All Compensation Committee meetings have an '*in-camera*' session where the President and Chief Executive Officer and any other members of management in attendance at the Compensation Committee meeting are excused for the duration of the *in-camera* session.

The Compensation Committee establishes and approves base salaries, short-term incentive awards (cash bonuses), long-term incentive awards (share-based compensation), and benefits for the Named Executives. Each component of compensation is determined on an individual basis for each Named Executive. The Compensation Committee utilizes a compensation program based on an assessment of the overall performance of the Corporation, relative performance of the Corporation compared to its peers and the achievements and overall contribution of each individual Named Executive.

The Compensation Committee retains and does not delegate any of its power to determine matters of executive compensation and benefits, although the Compensation Committee will consider compensation and benefit proposals made to the Compensation Committee by the President and Chief Executive Officer. The Compensation Committee reports to the Board on the major items covered at each Compensation Committee meeting.

Risk Assessment and Oversight

The Compensation Committee is responsible for considering the implications of the risks associated with the Corporation's compensation policies and practices. Alvopetro recognizes that certain compensation designs could promote unintended behaviours. The Compensation Committee's role of approving the compensation policies and practices includes considering whether the compensation policies and practices could encourage a Named Executive to: (i) take inappropriate or excessive risks; (ii) focus on achieving short-term goals at the expense of long-term return to Shareholders; or (iii) excessively focus on financial and operational goals at the expense of environmental responsibility and health and safety. Therefore, in designing Alvopetro's compensation program, the goal of the Compensation Committee is to establish a compensation framework that attracts and retains highly qualified individuals and aligns the interests of management with shareholders through appropriate

incentives to increase long-term shareholder value while discouraging management from taking excessive or inappropriate risks. The Compensation Committee is of the view that the following compensation policies and practices of Alvopetro assist in achieving this objective:

- ✓ Retained external advisors in 2021 to establish a peer group of companies to ensure that total compensation to Named Executives is consistent with peer companies;
- ✓ Ensure that a significant portion of short-term and long-term incentive compensation is tied to corporate performance and is therefore 'at risk' and spread over multiple years, ensuring a balance between near-term performance and long-term value creation and growth;
- ✓ Established corporate performance scorecards to ensure that corporate performance is a key factor in assessing the performance of Named Executives;
- ✓ Established short-term and long-term incentive targets for all Named Executives, as a percentage of salaries with annual short-term incentives (i.e. bonuses) capped as a percentage of salary;
- ✓ Approved a clawback policy effective January 1, 2022 under which the Board may seek reimbursement of compensation granted to Named Executives as further discussed in "*Clawback Policy*"; and
- ✓ Established share ownership guidelines for all Named Executives to ensure a minimum equity ownership as a multiple of salary to align executive interests with Shareholders.

The Compensation Committee did not identify any specific risks associated with the Corporation's compensation policies and practices for the year-ended December 31, 2022 that are reasonably likely to have a material adverse effect on the Corporation. The Compensation Committee will continually monitor the overall compensation framework and make adjustments as necessary to mitigate risks.

The Human Rights Policy details the Corporation's commitments to ensuring that everyone at Alvopetro is treated with respect, with no tolerance for any discrimination on any basis and to providing a workplace that is free from harassment, violence or other such behaviors. The Corporation also seeks to ensure pay equity among all employees. The Board has empowered the Chief Executive Officer to ensure adherence to these policies throughout the organization.

Compensation Consultants and Advisors

In 2021 the Compensation Committee retained Hugessen to review and advise on the compensation for the Corporation's directors and the named executive officers. Total fees of \$21,200 were paid to Hugessen in 2021 in connection with this work. No fees were paid to compensation consultants in 2022.

The Hugessen engagement included:

- Identification of a peer group of companies for purposes of benchmarking Alvopetro compensation relative to peers. See "*Compensation Peer Group*" below;
- Review of compensation levels for Alvopetro's executive officers;
- Review of compensation levels for Alvopetro's directors; and
- Review of the Corporation's current incentive plans including target levels of short-term and long-term incentive compensation as a percentage of base salaries for executive officers and target levels of long-term incentive compensation as a percentage of annual board retainers for directors.

Compensation Peer Group

In order to ensure Alvopetro is able to attract and retain qualified and experienced officers and employees, executive compensation must be competitive with other companies operating in the industry which the Corporation may compete with for leadership talent. The Compensation Committee considers peer analysis and may consider compensation surveys completed by independent third parties when making certain decisions with respect to Named Executive compensation and while considering compensation budgets. While the Compensation Committee may rely on external information and advice, all of the decisions with respect to Named Executive compensation will be made by the Compensation Committee and may reflect factors and considerations other than, or that may differ from, the information and recommendations provided by independent third-party surveys and compensation consultants.

In connection with the 2021 engagement of Hugessen, the Compensation Committee established a peer group of companies (the “**Compensation Peer Group**”) which positions Alvopetro across key size metrics including total enterprise value, total assets, total revenue and market capitalization. In 2022, the Compensation Committee reviewed the Compensation Peer Group established in 2021, agreeing to retain the existing group and add one additional peer (Arrow Exploration Corp.). The Compensation Peer Group utilized in 2022 included the following companies:

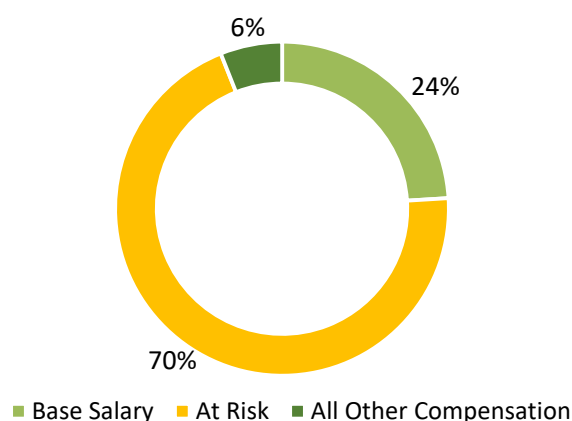
Compensation Peer Group	
Africa Energy Corp.	Shamaran Petroleum Corp.
Arrow Exploration Corp.	Touchstone Exploration Inc.
Condor Energies Inc.	TransGlobe Energy Corporation
Jura Energy Corporation	Valeura Energy Inc..
Pan Orient Energy Corp.	

Compensation Elements

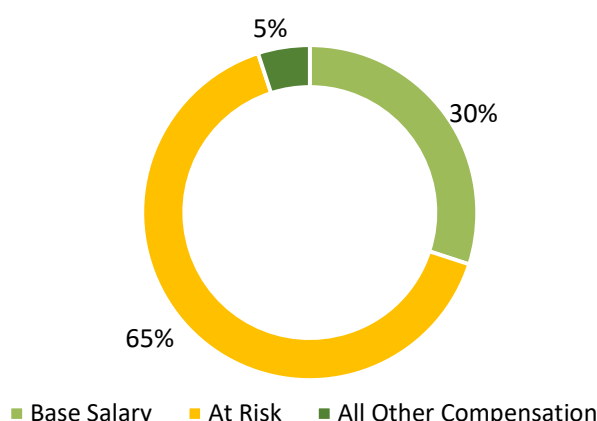
Named Executive compensation consists of base salaries, short-term incentive plan awards (bonuses), long-term incentive plan awards and other compensation (benefits). This framework is designed to balance short-term and long-term performance with a combination of fixed and variable components. The short-term and long-term incentive awards are ‘at-risk’ as these are contingent upon corporate performance (including but not limited to financial and operating results, health, safety and environmental metrics, asset growth, business improvement and share price performance) and individual performance and are not guaranteed.

The following reflects the variable (at-risk) components of compensation relative to base salary and other compensation for the President and CEO and the other Named Executives for the year-ended December 31, 2022:

President and CEO Compensation – At Risk:



Other Named Executive Compensation – At Risk:



Base Salaries

Overall

Base salaries are an essential component of compensation as it provides an immediate cash incentive for the Named Executives. It is the largest component of compensation that is not considered ‘at risk’. Base salaries are generally expected to be at levels competitive with other companies operating in the industry that compete with the Corporation for business opportunities and executive talent taking into account the officer’s experience, responsibility and performance. Base salaries are reviewed at least annually and adjusted based on peer data, any changes in named executive roles/responsibilities and overall performance.

2022 Base Salaries

The following table shows each Named Executive's annual base salary as at December 31, 2022 and December 31, 2021.

Name	2022	2021	% Change
Corey C. Ruttan President and Chief Executive Officer	372,000	320,000	16.3%
Alison Howard Chief Financial Officer	275,000	235,000	17.0%
Adrian Audet Vice President, Asset Management	240,000	200,000	20.0%

Short-term Incentive Plan – Bonuses

Overall

Alvopetro's short-term incentive plan ("STIP"), paid in the form of annual cash bonuses, rewards executives for individual and corporate achievement in the prior calendar year. To assess annual performance, the Corporation establishes a performance scorecard which outlines key corporate objectives for the year. Performance measures in the scorecard are weighted as a percentage of the overall corporate performance at the time the scorecard is established. The Compensation Committee reviews the annual corporate performance within each category and assigns scores to each category between 0 and 2. As a result, if performance for all measures is at or below the minimum set, the overall corporate performance would be 0% and if the performance for all measures is at or above the maximum set, the overall corporate performance would be 200%. The overall corporate performance score is then applied to the executive's target bonus % to determine the final total bonus.

In determining the STIP awards for each individual executive, the Compensation Committee determined specific target levels and maximum bonus levels, each expressed as a percentage of base salary, for each of the Named Executives as follows:

Name	Minimum Bonus (% of Base Salary)	Target Bonus (% of Base Salary)	Maximum Bonus (% of Base Salary)
President and Chief Executive Officer	0%	100%	200%
Chief Financial Officer	0%	70%	140%
Vice President, Asset Management	0%	70%	140%

The overall corporate performance is the primary factor considered by the Compensation Committee in establishing annual bonuses; however, the Compensation Committee may consider other factors such as personal performance and overall market conditions in awarding a specific bonus to a Named Executive provided the bonus is in alignment with the target levels and maximum bonus levels set out above.

2022 STIP Plan Awards

The Compensation Committee and the Board established 2022 corporate objectives in five key areas: 1) financial performance and liquidity 2) operational performance; 3) asset growth and optimization; 4) health, safety and environmental ("HSE") and Environmental, Social, Governance ("ESG"); and 5) total shareholder return ("TSR"), business improvement, overall performance and board discretion. 2022 was another record year for Alvopetro in terms of production and cash flows and Alvopetro exceeded virtually all corporate objectives in the year. The corporate performance was evaluated relative to the scorecard in February 2022 by the Compensation Committee and an overall weighted score of 160% was determined with the following factors considered:

2022 Performance Scorecard

Performance Metric	2022 Weighting	2022 Score	Weighted Score
Financial Performance & Liquidity	20%	2.00	40%
Operational Performance	20%	1.50	30%
Asset Growth & Optimization	20%	1.00	20%
HSE & ESG	10%	2.00	20%
TSR, Business Improvement, Overall Performance and Board Discretion	30%	1.65	50%
Total			160%

Financial Performance & Liquidity:

In assigning a score of 2.0 to this metric, the following factors were considered:

- ✓ Alvo Petro generated funds flow from operations³ of US\$49.9 million in 2022, 102% above 2021 funds flow from operations of US\$24.6 million;
- ✓ Credit Facility – Alvo Petro repaid all amounts owing under the credit facility in 2022, a year prior to maturity;
- ✓ General and administrative (“G&A”) costs – Alvo Petro maintained low G&A costs of US\$5.34 per barrel of oil equivalent (boe), 11% below the 2022 target of US\$6.00 per boe.
- ✓ Dividends – With higher cash flows in the year, Alvo Petro increased the quarterly dividends in the first quarter of 2022 (+33%) and again in the fourth quarter of 2022 (+50%). Alvo Petro declared a total of US\$0.36/share in dividends in 2022.

Operational Performance:

In assigning a score of 1.5 to this metric, the following factors were considered:

- ✓ Average daily sales – Alvo Petro’s daily sales averaged 2,557 barrels of oil equivalent per day (boepd), exceeding 2021 average daily sales of 2,358 boepd by 8%;
- ✓ Production costs – Alvo Petro’s 2022 production costs averaged US\$3.80 per barrel of oil equivalent (boe)³, 5% below the 2022 target of US\$4.00 per boe and well below peers;
- ✓ Operating netback per boe³ – Alvo Petro’s operating netback averaged US\$59.43 per boe in 2022, an improvement of 78% compared to 2021. In 2022 Alvo Petro’s operating netback margin³ of 88% relative to the realized sales price per boe of US\$68.04 per boe³ was well above peer companies, evidencing the strong profitability of Alvo Petro production;
- ✗ Capital costs – Capital expenditures totaled \$24.8 million in 2022 which exceeded original budget amounts. Several capital projects were delayed and changes in overall scope and inflationary increases resulted in higher costs than budgeted; and,
- ✓ Continuous operations - Alvo Petro achieved virtually 100% onstream time with no material interruptions or supply failures.

Asset Growth & Optimization

In assigning a score of 1.0 to this metric, the following factors were considered:

- ✓ Increase in proved and probable⁴ (“2P”) reserves volumes – 2P reserve volumes increased 3% to 9.0 million barrels of oil equivalent (“Mmboe”) after 0.9 Mmboe of production in 2022 due mainly to the addition of two Murucututu

³ See “Non-GAAP and Other Financial Measures.”

⁴ Based on independent reserves and resource evaluation by GLJ Ltd. dated February 27, 2023 with an effective date of December 31, 2022. Additional disclosure with respect to Alvo Petro’s reserves and resources as of December 31, 2022 is included in the annual information form which is filed on SEDAR (www.SEDAR.com). Refer to the section entitled “Oil and Natural Gas Advisories” for additional disclosures regarding oil and natural gas reserves.

development locations (previously included in contingent resources);

- ✓ 2P net present value before tax discounted at 10% increased 17% to US\$348.2 million;
- ✓ 2P production replacement ratio⁵ of 132%;
- ✓ 2P Finding & Development (“F&D”) costs⁵ of \$28.66 per boe.
- ✓ 2P recycle ratio⁵ of 2.1 times, compared to Alvopetro’s target of 2.0 times.
- ✗ Murucututu development delays – Alvopetro had initially planned for the 183(1) well to be on production in the second quarter of 2022; however this was delayed to October 2022. In addition, all other development work planned for 2022 (197(1) stimulation and two ‘fit-for-purpose’ development wells) was delayed to 2023.
- ✗ Exploration projects – Capital expenditures on exploration assets totaled US\$18.5 million in 2022, mainly with respect to drilling and testing costs associated with two prospects (182-C and 183-B). While thick, hydrocarbon saturated zones were encountered in the Sergi Formation, initial testing results indicate lower than expected permeability in both wells. Alvopetro is evaluating alternatives to remediate the impact to permeability of near wellbore damage; however, to date reserves have not been assigned.

HSE & ESG

A score of 2.0 was assigned to this metric considering the following factors:

- ✓ Exceptional HSE record - Alvopetro maintained its exceptional HSE with zero safety incidents in 2022;
- ✓ Reportable environmental spills⁶ – Alvopetro had no reportable spills in 2022;
- ✓ Inaugural sustainability report – Alvopetro released its first sustainability report in August 2022 relating to metrics for the 2021 year; and
- ✓ Voluntary social contribution – In 2022, Alvopetro expanded its voluntary social contribution program targeting the long-term sustainability of seven communities within its direct and indirect areas of influence. 2022 programs included:
 - a music and arts program for 144 students;
 - a program working with 40 families to boost small plot farming productivity through circular water systems and collective cooperation in productive systems and techniques;
 - a youth volleyball program offering free volleyball practice for over 60 students and young adults; and
 - commencement of support for a nature conservation program focused on conservation awareness and restoration of habitats for the maned three-toed sloth.

In 2023, Alvopetro’s efforts will continue with these established programs with additional focus on educational programs specifically targeting youth science education and extended conservation programs including a community tree nursery.

Total Shareholder Return, Business Improvement, Overall Performance and Board Discretion

The Compensation Committee awarded a score of 1.65 in this metric, taking into account:

- ✓ Alvopetro’s achievement well in excess of maximum thresholds set for key operating and performance targets;
- ✓ Alvopetro’s total shareholder return (“TSR”)⁷ from December 31, 2021 to December 31, 2022, compared to the Compensation Peer Group – Alvopetro’s TSR was 86% in 2022 compared to the Compensation Peer Group average of

⁵ Refer to the section “Oil and Natural Gas Advisories – Other Metrics” and “Non-GAAP and Other Financial Measures” for additional disclosures and assumptions used in calculating production replacement ratio, F&D costs, recycle ratio

⁶ Environmental spills are classified as ‘reportable’ to the extent such spills are required to be reported as per regulations within Brazil.

⁷ TSR is computed as the change in the closing share price on the TSXV on December 31, 2022, compared to the closing share price on December 31, 2021, plus all dividends declared in 2022 with a record date in 2022 (converted to Canadian dollars based on the foreign exchange rate on the record date). The TSR computation for this purpose assumes dividends are not reinvested.

63%; and,

- ✓ Overall business strength and improvement – Cash flows well above target allowed for early repayment of the credit facility and increases in the quarterly dividend. With no debt outstanding at December 31, 2022 and overall working capital including cash of US\$14.8 million, Alvo Petro is well positioned to execute on its plans for 2023.

2022 STIP Awards

Based on the corporate performance score of 160% and taking into account each individual executive's target bonus amounts, the following amounts were approved for the 2022 calendar year. All amounts were paid in March 2023.

Name	2022 Bonus	% of 2022 Salary
Corey C. Ruttan President and Chief Executive Officer	615,000	165%
Alison Howard Chief Financial Officer	310,000	113%
Adrian Audet Vice President, Asset Management	295,000	123%

Long-term Incentive Plan ("LTIP") – Options and RSUs

The Corporation uses the Omnibus Incentive Plan (and previously used the Predecessor Plans) as a part of its long-term compensation strategy for the Named Executives and directors. The LTIP grants are intended to align executive and director interests with shareholder interests by creating a direct link between compensation and Share performance. Following approval of the Omnibus Incentive Plan in June 2022, all Options and RSUs are now granted under the Omnibus Incentive Plan, subject to the required re-approval of the Shareholders at the Meeting as noted herein.

In determining the annual LTIP grants, the Compensation Committee considers outstanding grants and available grant room within pre-established limits, the Corporation's development to date, the current capital base of the Corporation and the impact to shareholders (dilution), and Compensation Peer Group and market data relating to long-term incentive programs. As part of the 2021 engagement of Hugessen, the Compensation Committee reviewed LTIP targets as a percentage of base salary for each of the Named Executives, establishing the following target levels.

Name	Target LTIP Grants (% of Base Salary)
President and Chief Executive Officer	100%
Chief Financial Officer	75%
Vice President, Asset Management	75%

2022 LTIP grants

2022 LTIP grants were approved by the Compensation Committee in November 2022 and granted on December 7, 2022. The table below summarizes LTIP grants in 2022 in terms of overall value and as a percentage of salary for the upcoming year (2023). As 2021 LTIP grants were below target levels as a percentage of base salary in 2022 (given limited available room under the Corporation's predecessor Incentive Share Plan), 2022 LTIP grants were increased above target levels. Overall, the value of 2021 and 2022 grants averaged below the target levels for all Named Executives.

Name	Options granted (2022)		RSUs granted (2022)		2022 LTIP Total		2021 LTIP Total		Average % of salary (2021 & 2022)
	#	Value (\$) ⁽¹⁾	#	Value (\$) ⁽²⁾	Total \$	% of 2023 Salary	Total \$	% of 2022 Salary	
Corey C. Ruttan President and Chief Executive Officer	86,000	121,095	49,000	342,305	463,400	119%	239,200	64%	92%
Alison Howard Chief Financial Officer	48,000	67,588	27,000	188,617	256,205	88%	132,046	48%	69%
Adrian Audet Vice President, Asset Management	44,000	61,956	25,000	68,180	116,894	89%	116,894	49%	70%

Notes:

- (1) The value of Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the Omnibus Incentive Plan, see details provided in the section entitled “*Omnibus Incentive Plan*”.
- (2) The value of RSUs granted is estimated based on the grant date based on the closing price of the Corporation’s Shares on the TSXV on the day prior to the grant date. For a description of the terms of the Omnibus Incentive Plan, see details provided in the section entitled “*Omnibus Incentive Plan*”.

At the commencement of dividend payments in 2021, the Board determined that it was appropriate to accrue for equivalent dividends as declared on all full-value share-based compensation grants outstanding, including all outstanding RSUs, with such future amounts being paid on the exercise date of the respective award in either cash or additional common shares (based on the then fair market value of such shares) at the discretion of the Compensation Committee. Dividend equivalent amounts on all RSU and DSU grants made prior to the June 2022 approval of the Omnibus Incentive Plan will be paid in cash. The value of the dividends in 2022 on the outstanding RSUs under the predecessor Incentive Share Plan has been reflected in “All Other Compensation” throughout this Information Circular. Dividend equivalent grants on RSUs granted under the Omnibus Incentive Plan will be granted as additional RSU grants if so determined at the time of the original grant by the Compensation Committee. Outstanding Options are not entitled to any dividend equivalent amounts.

For further details of the Corporation’s long-term incentive plans, please refer to the heading “*Omnibus Incentive Plan*” and *Schedule C – Description of the Option Plan* and *Schedule D – Description of the Incentive Share Plan*.

Other Compensation

The Compensation Committee believes that the perquisites for the Named Executives should be limited in scope and value and be commensurate with perquisites offered by the Corporation’s peers. The Corporation provides the President and Chief Executive Officer and the Chief Financial Officer a company paid parking stall or allowance, included under “*All Other Compensation*” under the heading “*Named Executive Compensation – Summary Executive Compensation Table*” below. In addition, the Corporation shares the cost of an additional insurance program with the President and Chief Executive Officer for him, of which the cost to the Corporation is disclosed under the heading “*Named Executive Compensation - Summary Executive Compensation Table*” under the column titled “*All Other Compensation*”. All other amounts included in the column entitled “*All Other Compensation*” relate to benefits provided to other employees, including the value of dividend equivalents on outstanding RSUs granted under the predecessor Incentive Share Plan as discussed above, RRSP matching programs and health care spending accounts.

Named Executive Share Ownership Requirements

As discussed above, in 2021 the Board approved the Share Ownership Guidelines for the Corporation's directors and officers. The Share Ownership Guidelines for the Corporation's officers are currently as follows:

Office Held	Equity Ownership
President and Chief Executive Officer	5 times annual salary
Chief Financial Officer Chief Operating Officer Senior Vice President Vice President, Asset Management	2 times annual salary
Vice President All Other Executive Officers	1 times annual salary

For purposes of calculating the value of the equity ownership held by an officer it is calculated by the addition of: a) the number of Shares held by the officer multiplied by the greater of: 1) the original cost of Shares purchased by the officer based on the value on the acquisition date; and 2) the current fair market value of the Shares held (based on the weighted average trading price of the Shares on the TSXV for the five trading days immediately prior to the date of calculation) plus b) the value of vested RSUs held (based on the weighted average trading price of the Shares on the TSXV for the five trading days immediately prior to the date of calculation).

The following table sets out the number and value of Shares and vested RSUs held by each Named Executive as of December 31, 2022. All Named Executives have met the Share Ownership Guidelines.

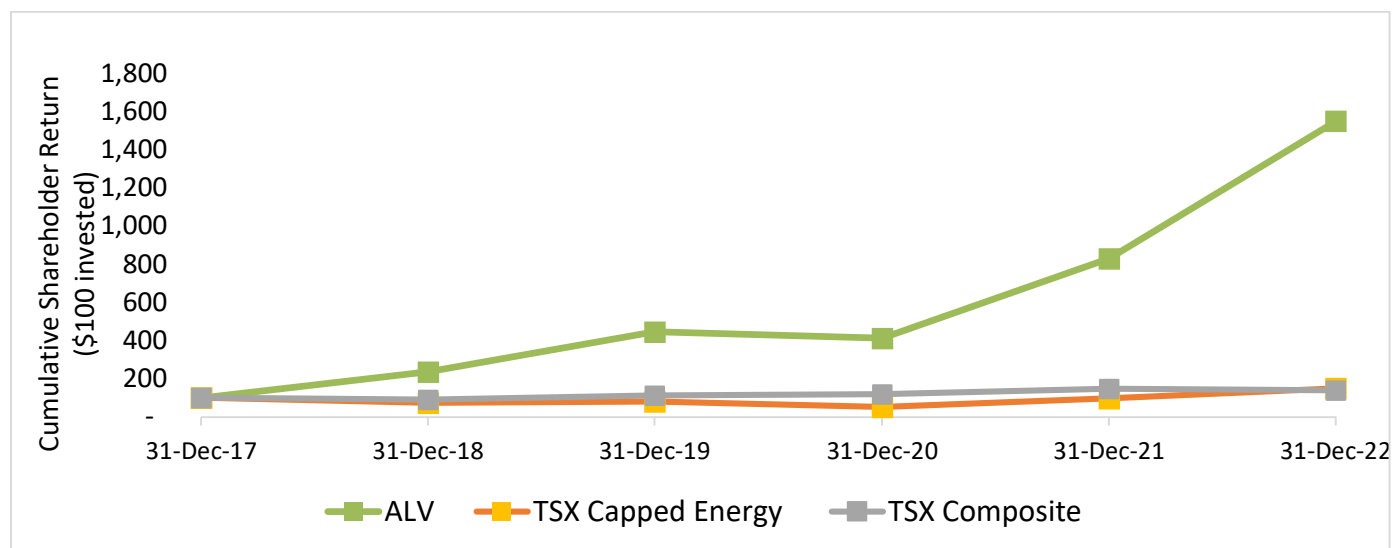
Name	Equity at Risk			Share Ownership Guidelines		
	Shares ⁽¹⁾ (#)	Vested RSUs ⁽²⁾ (#)	Total Value (\$) ⁽³⁾	Multiple of Annual salary held	Minimum Multiple Required	Share Ownership Met
Corey C. Ruttan President and Chief Executive Officer	1,354,921	89,333	10,860,790	29.2	5.0	Yes
Alison Howard Chief Financial Officer	431,308	38,667	3,534,212	12.9	2.0	Yes
Adrian Audet Vice President, Asset Management	81,118	38,001	895,775	3.7	2.0	Yes

Notes:

- (1) Shares owned, controlled, or directed and not subject to any holding periods. As of December 31, 2022.
- (2) RSUs granted to the Named Executive that are vested and outstanding as of December 31, 2022.
- (3) For purposes of the table above, the value of the Shares & vested RSUs held is based on the closing price of the Shares on December 31, 2022, which was \$7.52.
- (4) Equal to the equity at risk value (see footnote 3) divided by the total annual base salary of the Named Executive as of December 31, 2022.

Performance Graph

The following graph presents the total cumulative return, assuming reinvestment of all dividends in a \$100 investment in Shares from December 31, 2017 to December 31, 2022 compared to the same investment in the S&P/TSX Composite (TRIV) Index and the TSX Capped Energy (TRIV) Index.



At December 31 st	2017	2018	2019	2020	2021	2022
Alvopetro	100	237	446	411	829	1,550
S&P/TSX Composite Index	100	91	112	118	148	139
TSX Capped Energy	100	73	81	53	98	150

2023 Compensation

The base salaries of Named Executives were considered below average compared to the Compensation Peer Group and adjusted effective January 1, 2023, as noted in the table below. Including the STIP and LTIP target levels, the following table reflects the total target compensation for each of the Named Executives for the 2023 year.

Name	Effective January 1, 2023			2022 Target Total Compensation (%)
	2023 Base Salary (\$)	Target STIP (% of Base Salary)	LTIP Grant (% of Base Salary)	
Corey C. Ruttan President and Chief Executive Officer	390,000	100%	100%	1,170,000
Alison Howard Chief Financial Officer	290,000	70%	75%	710,500
Adrian Audet Vice President, Asset Management	265,000	70%	75%	649,250

Hedging Activities

The Corporation's Disclosure, Confidentiality and Trading Policy includes a provision that prohibits directors, officers and employees of the Corporation from purchasing or selling certain derivatives in respect of any security of the Corporation. This includes purchasing puts and selling calls on the Corporation's securities, as well as a prohibition on short selling the Corporation's securities. Aside from these prohibitions, the Corporation does not have a policy specifically pertaining to other financial instruments including prepaid variable forward contracts, equity swaps or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a

Named Executive or director. Any transactions of this nature are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders (SEDI).

Clawback Policy

In 2022, the Board adopted a clawback policy (the “**Clawback Policy**”) which applies to all executive officers in respect of any incentive compensation (being bonuses or other short-term incentive awards and long-term incentive awards including any equity based compensation) received after January 1, 2022. Under the Clawback Policy, if there is an accounting restatement caused by negligence, intentional misconduct, or fraud, the Board can require that an executive officer reimburse the Corporation for all or part of the incentive compensation earned by such executive officer. Additionally, if an executive officer is found to have engaged in intentional misconduct, fraud, theft or embezzlement, the Board may require the executive officer to reimburse all, or part, of the incentive compensation received by that officer in the previous 24 months, whether or not a restatement of the financial statements has occurred.

Other Corporate Policies

The Code of Conduct which applies to all employees, officers and directors and sets out the Corporation’s core values and requirements for compliance with respect to various policies of the Corporation. Topics addressed in the Code of Conduct include matters concerning human rights, anti-corruption, confidentiality, conflicts of interest, insider trading, business conduct and ethics, and whistleblower reporting. All employees, officers, and directors are required to certify annually that they understand the code of conduct (including the Human Rights Policy) and provide confirmation of compliance, along with confirmation that any noncompliance has been reported appropriately as provided for under the Code of Conduct and related policies. A copy of the Code of Conduct and the Human Rights Policy is available on the Corporation’s website at www.alvopetro.com.

EXECUTIVE COMPENSATION TABLES

Summary Executive Compensation Table

The following table sets forth all annual and long-term compensation paid in respect of the Named Executives for the financial years ended December 31, 2022. The Named Executives did not receive any committee or meeting fees in 2022 or any prior year in respect of any meetings of the Board or any committee of the Board.

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Share- Based Awards ⁽²⁾ (\$)	Option- Based Awards ⁽³⁾ (\$)	Annual Incentive Plan ⁽⁴⁾ (\$)	All other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
COREY C. RUTTAN President and Chief Executive Officer	2022	372,000	342,305	121,095	615,000	91,634	1,542,034
	2021	320,000	136,360	102,840	560,000	37,180	1,156,380
	2020	290,000	255,600	72,069	445,000	16,811	1,079,480
ALISON HOWARD Chief Financial Officer	2022	275,000	188,617	67,588	310,000	47,901	889,106
	2021	235,000	77,920	54,126	288,000	23,240	678,286
	2020	220,000	106,500	43,242	202,000	14,914	586,656
ADRIAN AUDET⁽⁶⁾ Vice President, Asset Management	2022	240,000	174,646	61,956	295,000	44,670	816,272
	2021	200,000	68,180	48,714	245,000	22,431	584,325
	2020	161,250	106,500	43,242	202,000	11,980	524,972

Notes:

- (1) Salary, for the purposes of the above Summary Compensation Table, includes all earnings related to base salary paid to the Named Executive during the reporting year.
- (2) Share-Based Awards consist of RSUs granted under the Omnibus Incentive Plan for 2022 (and the Incentive Share Plan in all prior years). The fair value of RSUs granted is estimated based on the grant date based on the closing price of the Corporation's Shares on the TSXV on the day prior to the grant date. For a description of the terms of the Omnibus Incentive Plan, see detail provided in the section entitled "Omnibus Incentive Plan". For a description of the Incentive Share Plan, see detail provided in *Schedule D – Description of the Incentive Share Plan*.
- (3) Option Based Awards consist of Options granted pursuant to the Omnibus Incentive Plan for 2022 (and the Option Plan in all prior years). The fair value of Options granted is estimated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the Omnibus Incentive Plan, see details provided in the section entitled "Omnibus Incentive Plan". For a description of the terms of the Option Plan, see details provided in *Schedule C – Description of the Option Plan*.
- (4) Amounts relate to cash bonuses awarded in the year to the Named Executives under the Corporation's STIP. See discussion above.
- (5) The value in the column titled "All Other Compensation" includes all other compensation not reported in any other column of the table for each of the Named Executives and includes certain taxable benefits including but not limited to savings plans, parking, life insurance premiums, health spending account and fitness reimbursements, and additional health insurance plans. Amounts included in "All Other Compensation" are typically available to all employees, other than the additional health insurance plan for Mr. Ruttan and parking for each of Mr. Ruttan and Ms. Howard. The aggregate of such benefits is less than 10% of each of Mr. Ruttan's and Ms. Howard's respective salaries and has been included in the "All Other Compensation" column above. All Other Compensation also includes the value of dividends declared in 2022 and 2021 on RSUs outstanding under the Incentive Share Plan at each dividend record date (2022: Mr. Ruttan – \$69,270, Ms. Howard – \$29,775, Mr. Audet - \$28,873, 2021: Mr. Ruttan - \$20,151; Ms. Howard - \$8,722; Mr. Audet - \$8,572). As the Corporation had reached the maximum limit of the Incentive Share Plan, the Corporation was not able to issue additional RSUs in respect of such dividends and the dividend equivalent amounts on RSUs granted under the predecessor Incentive Share Plan shall be paid in cash on the future exercise of the associated RSUs.
- (6) Mr. Audet was appointed to the position of Vice President, Asset Management on August 12, 2020. Prior thereto, he held various positions with the Corporation, including, most recently, Operations Director.

Stock Options and Other Compensation Securities Granted

The following table sets forth, with respect to each of the Named Executives, details regarding all compensation securities granted (stock options and RSUs) in respect of the year ended December 31, 2022.

Name	Type of compensation security	Number of underlying compensation securities and underlying securities	Date of grant ⁽¹⁾	Exercise price per security (\$) ⁽²⁾	Closing price per security on date of grant (\$) ⁽²⁾	Closing price per security on Dec 31, 2022 (\$)
Corey C. Ruttan	Option	86,000	07-Dec-22	6.96	6.99	7.52
Corey C. Ruttan	RSU	49,000	07-Dec-22	-	6.99	7.52
Alison Howard	Option	48,000	07-Dec-22	6.96	6.99	7.52
Alison Howard	RSU	27,000	07-Dec-22	-	6.99	7.52
Adrian Audet	Option	44,000	07-Dec-22	6.96	6.99	7.52
Adrian Audet	RSU	25,000	07-Dec-22	-	6.99	7.52

Note

(1) All Options and RSUs granted on December 7, 2022 vest one-third per year commencing on November 24, 2023.

(2) The exercise price of Options is based on the weighted average trading price of the Shares for the five trading days immediately preceding the grant date and therefore may differ from the closing price on the date of grant.

Outstanding Options as at December 31, 2022

The following table sets forth, with respect to each of the Named Executives, details regarding Options outstanding as at December 31, 2022.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)
COREY C. RUTTAN	27,778	2.46	24-Nov-2025	140,557
President and Chief Executive Officer	63,333	4.84	19-Nov-2026	169,732
	86,000	6.96	07-Dec-2027	48,160
	50,000	2.25	19-Nov-2024	263,500
ALISON HOWARD	50,000	2.46	24-Nov-2025	253,000
Chief Financial Officer	50,000	4.84	19-Nov-2026	134,000
	48,000	6.96	07-Dec-2027	26,880
	53,333	0.96	23-May-2023	349,864
	50,000	1.29	23-Nov-2023	311,500
ADRIAN AUDET	33,333	2.25	19-Nov-2024	175,665
Vice President, Asset Management	50,000	2.46	24-Nov-2025	253,000
	45,000	4.84	19-Nov-2026	120,600
	44,000	6.96	07-Dec-2027	24,640

Note:

(1) The value of unexercised in-the-money Options is calculated for outstanding vested and unvested Options based on the difference between the noted exercise price for the applicable grant and the closing price of the Shares on the TSXV on December 31, 2022, being \$7.52.

Outstanding Share-Based Awards as at December 31, 2022

The following table sets forth, with respect to each of the Named Executives, details regarding RSUs outstanding as at December 31, 2022.

Name	Number of RSUs that have not vested (#)	Number of vested RSUs not distributed (#)	Expiration Date	Value of RSUs that have not vested ⁽¹⁾ (\$)	Value of vested RSUs not distributed ⁽¹⁾ (\$)
COREY C. RUTTAN	40,000	80,000	17-Aug-2025	300,800	601,600
President and Chief Executive Officer	18,667	9,333	19-Nov-2026	140,376	70,184
	49,000	-	07-Dec-2027	368,480	-
ALISON HOWARD	16,667	33,334	17-Aug-2025	125,328	250,672
Chief Financial Officer	10,667	5,333	19-Nov-2026	80,216	40,104
	27,000	-	07-Dec-2027	203,040	-
ADRIAN AUDET	16,666	33,334	17-Aug-2025	125,328	250,672
Vice President, Asset Management	9,333	4,667	19-Nov-2026	70,184	35,096
	25,000	-	07-Dec-2027	188,000	-

Note:

(1) RSUs granted vest in one-third increments annually. Each RSU entitles the holder to receive one Share upon vesting. The value of RSUs in the table above is based on the closing price of the Shares on the TSXV on December 31, 2022, being \$7.52.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, with respect to each of the Named Executives, the aggregate dollar value that would have been realized if the Options and RSUs which vested in 2022 had been exercised on the vesting date, as well as the cash bonus granted to the Named Executives during the year ended December 31, 2022.

Name	Options Value vested during 2022 ⁽¹⁾ (\$)	RSUs Value vested during 2022 ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation earned during the year (\$)
COREY C. RUTTAN			
President and Chief Executive Officer	304,858	348,558	615,000
ALISON HOWARD			
Chief Financial Officer	178,670	154,854	310,000
ADRIAN AUDET			
Vice President, Asset Management	151,134	150,418	295,000

Notes:

- (1) The value vested during 2022 is calculated based on the number of Options which vested in the year multiplied by the difference between the closing price of the Shares on the TSXV on each of the applicable vesting dates and the exercise price of the Options on the vesting date.
- (2) The value vested during 2022 is calculated based on the number of RSUs which vested in the year multiplied by the difference between the closing price of the Shares on the TSXV on each of the applicable vesting dates.

Compensation Securities Exercised

The following table discloses, with respect to each of the Named Executives, the details associated with all exercises of compensation securities during the year ended December 31, 2022.

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
COREY C. RUTTAN President & Chief Executive Officer	Options	41,666	1.29	09-Jun-22	7.47	6.18	257,496
COREY C. RUTTAN President & Chief Executive Officer	Options	27,778	2.25	09-Jun-22	7.47	5.22	145,001
COREY C. RUTTAN President & Chief Executive Officer	Options	27,777	2.46	09-Jun-22	7.47	5.01	139,163
ALISON HOWARD Chief Financial Officer	Options	75,000	1.29	13-Jun-22	7.64	6.35	476,250
COREY C. RUTTAN President & Chief Executive Officer	Options	27,778	2.25	02-Dec-22	6.93	4.68	130,001
COREY C. RUTTAN President & Chief Executive Officer	Options	27,778	2.46	02-Dec-22	6.93	4.47	124,168
COREY C. RUTTAN President & Chief Executive Officer	Options	31,667	4.84	02-Dec-22	6.93	2.09	66,184

Pension and Retirement Plans

The Corporation does not have any pension or retirement plan for employees or Named Executives.

Employment Agreements and Termination and Change of Control Benefits

The President and Chief Executive Officer, the Chief Financial Officer and the Vice President, Asset Management each have employment agreements with the Corporation (the “**Employment Agreements**”). If the Employment Agreement is terminated without cause, or the Named Executive is Constructively Dismissed (defined below), or upon a change of control provided there exists Good Reason (as defined below), then the Named Executive is entitled to payment of an amount as set forth in the table below.

Named Executive	Payment upon Change of Control provided Constructive Dismissal Occurs
President and Chief Executive Officer	Equal to the cash equivalent of his base salary for twenty-four (24) months, as well as the cash equivalent of the average of his prior two (2) years’ annual bonus (both cash and share based incentive components) multiplied by two (2).
Chief Financial Officer Vice President, Asset Management	Equal to the cash equivalent of his/her base salary for twelve (12) months, as well as the cash equivalent of the average of his/her prior two (2) years’ annual bonus (both cash and share based incentive components) multiplied by one and a half times (1.5).

In the Employment Agreements, “Constructive Dismissal” means one or more of the following changes in the circumstances of the Named Executive’s employment: (i) material reduction or diminution in the position, level of authority, responsibility, duties or reporting relationship of the Named Executive; (ii) a material reduction in the Named Executive’s base salary; (iii) a material reduction in the value of the Named Executive’s benefits plans, incentive plans or vacation; or (iv) the elimination by the Corporation of the Corporation’s bonus or incentive plans without a materially similar replacement; or (v) a requirement to relocate to another city, province or country. “Good Reason” means one or more of the following changes in the Named Executive’s employment following a change of control: (i) a Constructive Dismissal of the Named Executive; (ii) the assignment to the Named Executive of any duties materially inconsistent with his or her current duties and responsibilities as an Named

Executive of the Corporation or a material alteration in the nature of his responsibilities or duties or reporting relationship from those in effect immediately prior to a change in control of the Corporation; (iii) a material change to the market capitalization of the Corporation following a change of control.

Estimated Payment Made to Named Executive Officers upon Termination of Employment Agreements

The following table provides a calculation of the payments that would have to be made to the Named Executives pursuant to their applicable Employment Agreement under the noted events with and without a deemed change of control. All payments are calculated assuming the date of the termination event was, and if applicable, a change of control occurred, on December 31, 2022. The disclosed values represent payments made pursuant to the terms of the Employment Agreements.

Name	WITHOUT A CHANGE OF CONTROL		WITH A CHANGE OF CONTROL	
	Payment made in the Event of Termination with Cause (\$)	Payment made in the Event of Termination Without Cause (\$)	Payment made in the Event of Retirement or Death (\$)	Payment made Following a Change of Control ⁽¹⁾ (\$)
Corey C. Ruttan	nil	1,919,000	nil	3,087,105
Alison Howard	nil	723,500	nil	1,332,627
Adrian Audet	nil	645,000	nil	1,217,882

Note:

- (1) The calculations in this table are based on the assumption that upon a change of control, Good Reason exists. In accordance with the Option Plan and the Incentive Share Plan, in the event of a change in control of the Corporation, all unvested Options and RSUs shall vest and be exercisable at such time as is determined by the Board. Under the Omnibus Incentive Plan, in the event of a change in control of the Corporation and a termination within twelve months following the change of control, all unvested Options and RSUs shall vest and be exercisable at the date of termination. The above amounts include an additional \$1,168,105 for Mr. Corey C. Ruttan, \$609,127 for Ms. Alison Howard and \$572,882 for Mr. Adrian Audet, being the value of outstanding unvested Options and unvested RSUs. The value of outstanding Options and RSUs is based on the difference between the exercise price for each applicable option grant (nil in the case of RSUs) and the closing price of the Shares on the TSXV on December 31, 2022, being \$7.52.

EQUITY COMPENSATION PLANS

OMNIBUS INCENTIVE PLAN

General

The Omnibus Incentive Plan is a long-term incentive plan that permits the grant of Awards to directors, officers and employees of, and consultants to, the Corporation and its subsidiaries. The purpose of the plan is to promote share ownership of the eligible individuals to align the interests of such individuals with the interest of our Shareholders. Following the approval of the Omnibus Incentive Plan in the June 22, 2022 annual and special meeting of Shareholders, the Omnibus Incentive Plan replaced the Predecessor Plans and no further grants of awards were made under those plans. The Omnibus Incentive Plan streamlines the administration of long-term incentive grants to eligible individuals as all grants will be made under the Omnibus Incentive Plan (whether Options, RSUs, DSUs, or PSUs) and will be subject to the rules and restrictions of that plan.

A summary of the Omnibus Incentive Plan follows herein. For a full copy of the Omnibus Incentive Plan, refer to Schedule B. For a description of the Predecessor Plans see *Schedule C – Description of Option Plan* and *Schedule D – Description of Incentive Share Plan*.

Any undefined terms in this Information Circular in respect of the Omnibus Incentive Plan have the meaning ascribed to them in the Omnibus Incentive Plan.

Limitations under the Omnibus Incentive Plan

The aggregate number of Shares that may be reserved for issuance at any time under the Omnibus Incentive Plan, together with any Shares reserved for issuance under any other security-based compensation plans of the Corporation (including the Predecessor Plans), shall be equal to 10% of outstanding Shares from time to time (on a non-diluted basis), provided that the aggregate maximum number of Shares reserved for issuance pursuant to the settlement of all DSUs, RSUs and PSUs, together with awards granted under the Incentive Share Plan, shall not exceed 5% of the outstanding Shares from time to time (on a non-

diluted basis). Any Shares underlying Options under the Omnibus Incentive Plan and the Option Plan that have been exercised, or disposed of or that have expired or been terminated for any reason (without being exercised), shall become available for subsequent issuance under the Omnibus Incentive Plan. Any Shares underlying DSUs, RSUs, PSUs under the Corporation's Omnibus Incentive Plan and Incentive Share Plan that have been settled, or disposed of or that have expired or been terminated for any reason (without being settled), shall become available for subsequent issuance under the Omnibus Incentive Plan. Accordingly, the Omnibus Incentive Plan is a "rolling plan" and as a result, any and all increases in the number of outstanding Shares will result in an increase to the number of Awards available for grant under the plan.

In addition, any grant of Awards shall be subject to the following restrictions (subject to applicable Shareholder approval in accordance with the policies of the TSXV):

- (a) the aggregate number of Shares reserved for issuance pursuant to Awards, together with awards granted under any other security-based compensation plan of the Corporation, granted to any one person in any twelve (12) month period may not exceed 5% of the outstanding Shares (on a non-diluted basis) determined at the time of grant;
- (b) the aggregate number of Shares reserved for issuance pursuant to Awards, together with awards under any other security-based compensation plan of the Corporation, granted to insiders (as a group) may not exceed 10% of the outstanding Shares (on a non-diluted basis) at any point in time;
- (c) the aggregate number of Shares reserved for issuance pursuant to Awards, together with awards under any other security-based compensation plan of the Corporation, granted to insiders (as a group) in any twelve (12) month period shall not exceed 10% of the outstanding Shares (on a non-diluted basis) determined at the time of grant;
- (d) the aggregate number of Shares issuable pursuant to Awards, together with awards under any other security-based compensation plan of the Corporation, granted to any consultant in any twelve (12) month period shall not exceed 2% of the outstanding Shares (on a non-diluted basis) determined at the time of grant; and
- (e) Investor Relations Service Providers shall only be entitled to Options under the Omnibus Incentive Plan and the aggregate number of Shares issuable pursuant to Options under the Omnibus Incentive Plan, together with Options under any other security-based compensation plan of the Corporation, granted to all such persons in any twelve (12) month period shall not exceed 2% of the outstanding Shares determined at the time of grant.

Except as permitted by the Committee, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant by will or as required by applicable law, Awards are not assignable or transferable.

Description of Options issuable under the Omnibus Incentive Plan

All Options granted under the Omnibus Incentive Plan will have an exercise price fixed by the Committee when the Option is granted. Such price shall not be less than the volume weighted average trading price per Share on the TSXV for the five (5) consecutive trading days ("VWAP") ending on the last trading day preceding the date that the Option is granted and such exercise price shall be determined in accordance with the policies of the TSXV or other applicable stock exchange.

Exercise of Options

Participants may exercise vested Options by providing payment in full of the exercise price for the Shares which are the subject of the exercise. Provided that the Shares are listed on the TSXV or another exchange, and that the Corporation is in compliance with applicable stock exchange requirements, the Corporation may permit a participant to elect that the Corporation satisfy any obligations to the participant in respect of any vested Options exercised by the participant by issuing such number of Shares that is equal in value to the difference between: (a) the VWAP of the Shares prior to the date of exercise; and (b) the aggregate exercise price of the vested Options being exercised (the "**Net Share Exercise Right**"). The Net Share Exercise Right is not available to any Investor Relations Service Providers in accordance with the policies of the TSXV.

In addition, the Corporation may permit a broker-assisted cashless exercise whereby the participant elects to receive: (a) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Shares underlying the vested Options by a securities dealer designated by the Corporation, less the aggregate exercise price, any applicable withholding taxes, and any transfer costs charged by the securities dealer to sell the Shares; (b) an aggregate number of Shares that is equal to the

number of Shares underlying the vested Options minus the number of Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Shares; or (c) a combination of (a) and (b).

Description of RSUs, PSUs and DSUs issuable under the Omnibus Incentive Plan

An RSU is a right to receive a Share issued from treasury upon settlement, subject to the terms of the Omnibus Incentive Plan and the applicable award agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement. RSUs are expected to typically vest as to one third on each of the first, second and third anniversaries of the date of grant unless otherwise determined by the Committee at the time of grant.

A PSU is a right to receive a Share issued from treasury upon settlement, subject to the terms of the Omnibus Incentive Plan and the applicable award agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Committee in its discretion at the time of grant. The vesting period and performance criteria for any PSUs granted will be determined at the time of the grant with a payout percentage between 0% and 200% based on achievement of the applicable performance criteria.

DSUs are the only type of share unit issuable under the Omnibus Incentive Plan that may be issued to non-employee directors of the Corporation. A DSU is a right to receive a Share issued from treasury upon settlement, subject to the terms of the Omnibus Incentive Plan and the applicable award agreement. The vesting period of any DSUs granted will be determined at the time of the grant and are expected to typically vest either as to one third on each of the first, second and third anniversaries of the date of grant or to cliff-vest on the third anniversary of the date of grant, provided that, vesting will typically accelerate on the date that the non-employee director ceases to be a director of the Corporation for any reason, including change of control, resignation, retirement, death or failure to obtain re-election as a director.

Settlement of RSUs, PSUs and DSUs

Vested RSUs, PSUs and DSUs may be settled by a participant at any time prior to their expiry date by the Corporation issuing to the participant such number of Shares that is equal to the number of vested RSUs, PSUs or DSUs (and related Dividend Equivalents, if any) being settled. Notwithstanding, the Corporation may, in its discretion, permit applicable participants to elect to receive an amount in cash (net of applicable withholding taxes) equal to all or a portion of the vested RSUs, PSUs or DSUs (and related Dividend Equivalents, if any) being settled by the participant multiplied by the VWAP prior to the applicable settlement date.

Dividend Equivalents

A dividend equivalent is a right equivalent in value to an RSU, PSU or DSU credited to a participant who holds such Awards when dividends are declared by the Committee and paid with respect to the outstanding Shares ("**Dividend Equivalents**"). Dividend Equivalents shall not apply to an RSU, PSU or DSU unless determined by the Committee and provided for in the applicable award agreement. A Dividend Equivalent shall be subject to the same vesting and settlement conditions applicable to the related DSU, RSU or PSU and shall be payable on the settlement date of the related DSU, RSU or PSU in the same form as the related DSU, RSU or PSU being settled, provided that, in no event will the settlement of Dividend Equivalents cause the maximum number of Shares issuable under the Omnibus Incentive Plan's reserve or participation limits (as described above) to be exceeded.

Expiry

The expiry date of Awards granted pursuant to the Omnibus Incentive Plan is set by the Committee and must not be later than ten (10) years from the date of grant. Typically, Awards granted will expire after five (5) years. The Omnibus Incentive Plan contains provisions that address expiring Awards during, or within two (2) business days after, a self-imposed blackout period on trading securities of the Corporation. In such a case, the expiry date will be deemed to be extended to the tenth (10th) business day following the end of the blackout period.

Cessation of Employment or Services

Termination without Cause or Voluntary Resignation

Unless otherwise determined by the Committee, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of a termination without cause or the participant's resignation (including a resignation from the Board), all unvested Awards held by the participant shall automatically terminate and the participant may, within 30 days after the termination date (or such shorter period as is remaining in the term of the Awards), exercise or settle the participant's vested Awards. At the end of such 30-day period (or such shorter period as is remaining in the term of the Awards), any outstanding Awards shall automatically terminate.

Termination for Cause

Unless otherwise determined by the Committee, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of a termination for cause, all Awards held by the participant, whether vested or unvested, shall automatically terminate on the termination date.

Death or Disability

Unless otherwise determined by the Committee, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of the participant's death or, in the case of an employee, the incurrence of a disability, all unvested Options held by the participant shall automatically terminate and the participant (or the participant's legal representative) may, within twelve (12) months after the participant's termination date or date of death (or such shorter period as is remaining in the term of the Options), exercise the participant's vested Options. At the end of such 12-month period (or such shorter period as is remaining in the term of the Options), any outstanding Options shall automatically terminate.

Unless otherwise determined by the Committee, if a participant's employment or engagement with the Corporation or a subsidiary ceases as a result of the participant's death or, in the case of an employee, the incurrence of a disability, a pro rata portion of the unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) held by the participant will vest. The number of unvested RSUs and DSUs (and related Dividend Equivalents, if applicable) that will vest will be based on the number of days elapsed between the applicable date of grant and the termination date and the number of PSUs (and related Dividend Equivalents, if applicable) that will vest will be based on performance achieved up to the termination date as determined by the Committee. All remaining unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the termination date. The participant (or the participant's legal representative) may, within twelve (12) months after the participant's termination date or date of death (or such shorter period as is remaining in the term of the Awards), elect to settle the participant's vested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable). At the end of such 12-month period (or such shorter period as is remaining in the term of the Awards), any outstanding RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

Termination of Consultants

Notwithstanding the foregoing, the following will apply in the event of a termination of a consultant's engagement with the Corporation or a subsidiary.

Unless otherwise determined by the Committee, if a consultant's engagement with the Corporation or a subsidiary ceases as a result of a termination by the Corporation or a subsidiary for cause, all Awards held by the consultant, whether vested or unvested, shall automatically terminate on the termination date.

Unless otherwise determined by the Committee, if a consultant's engagement with the Corporation or a subsidiary ceases for any reason other than for cause, all unvested Options held by the consultant shall automatically terminate on the termination date and the consultant may, within thirty (30) days after the consultant's termination date (or such shorter period as is remaining in the term of the Options), exercise the consultant's vested Options. At the end of such 30-day period (or such shorter period as is remaining in the term of the Options), the unexercised Options shall automatically terminate.

Unless otherwise determined by the Committee, if a consultant's engagement with the Corporation or a subsidiary ceases for any reason other than for cause, all unvested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) held by the consultant shall automatically terminate and the consultant may, within thirty (30) days after the consultant's termination date

(or such shorter period as is remaining in the term of the Awards), elect to settle the consultant's vested RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable). At the end of such 30-day period (or such shorter period as is remaining in the term of the Awards), any outstanding RSUs, PSUs and DSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

Accelerated Vesting

Subject to the requirements of the policies of the TSXV (including Shareholder approval if applicable), the Committee may permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards in connection with a cessation event described above.

Change of Control

Change of Control and Termination of Employment or Engagement

Subject to the terms and conditions of any award agreement, if there is a change of control of the Corporation and a participant who is an employee or a director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a subsidiary without cause or ceases to be a director (for any reason other than for cause) and, in each case, his or her termination date is within twelve (12) months following the change of control, all unvested Options, RSUs and DSUs (and related Dividend Equivalents, if applicable) held by the participant on the participant's termination date shall immediately vest and the participant may, within twelve (12) months after the participant's termination date (or such shorter period as is remaining in the term of the Awards) exercise or settle the Awards. At the end of such 12-month period (or such shorter period as is remaining in the term of the Awards), the unexercised Awards shall automatically terminate.

Subject to the terms and conditions of any award agreement, if there is a change of control of the Corporation and a participant who is an employee (other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a subsidiary without cause and his or her termination date is within twelve (12) months following the change of control, a certain number of PSUs (and related Dividend Equivalents, if applicable) will vest based on performance achieved up to the termination date as determined by the Committee. All unvested PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the termination date. The participant may, within twelve (12) months days after the participant's termination date (or such shorter period as is remaining in the term of the applicable PSU), elect to settle the participant's vested PSUs (and related Dividend Equivalents, if applicable). At the end of such 12-month period (or such shorter period as is remaining in the term of the Awards), any outstanding PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate.

Discretion to Committee

Subject to the policies of the TSXV, in the event of an actual or potential change of control of the Corporation, the Committee may, in its discretion: (a) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (c) and (d) below), the vesting date of any Awards; (b) permit the conditional settlement or exercise of any Awards, on such terms as it sees fit; (c) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting participants to exercise or settle any Awards to assist the participants to participate in the actual or potential change of control, or (2) providing that the surviving, successor or acquiring entity may assume any outstanding Awards or substitute similar awards for the outstanding Awards, as applicable; and (d) terminate, following the successful completion of a change of control, on such terms as it sees fit, the Awards not exercised or settled prior to the successful completion of such change of control, provided that, any accelerated vesting in respect of any PSUs (and related Dividend Equivalents, if applicable) will be based on performance achieved up to the change of control as determined by the Committee.

In the event that any Awards are conditionally exercised or settled and the change of control does not occur, the Committee, may determine that any (a) Awards so exercised or settled shall be reinstated as the type of Award prior to such exercise or settlement, and (b) Shares issued be cancelled, any cash payments made to the participants be returned to the Corporation, and any exercise price or similar price received by the Corporation shall be returned to the participant.

Recoupment

Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of the Corporation's clawback policy and any other recoupment or similar policy adopted by the Corporation or the relevant

subsidiary from time to time and in effect at the date of grant of the Award, or as set out in the participant's employment or service agreement, award agreement or other written agreement, or as otherwise required by law or the policies of the TSXV.

Amendment

The Committee may, without notice and without shareholder approval, amend, modify, change, suspend or terminate the Omnibus Incentive Plan or any Awards as it determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the plan or any Awards may materially impair any outstanding rights of a participant without the consent of the participant, unless the Committee determines such adjustment is required or desirable in order to comply with any applicable securities laws or the policies of the TSXV.

Notwithstanding the foregoing and subject to any policies of the TSXV and/or any applicable regulatory authority, shareholder approval (including approval of the disinterested shareholders if required by the policies of the TSXV) must be obtained for any amendment that would have the effect of, among others:

- (a) increasing the percentage of Shares reserved for issuance under the plan, except pursuant to the provisions in the plan which permit the Committee to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the participation limits set forth in the plan (including to insiders);
- (c) reducing the exercise price of an Option (for this purpose, a cancellation or termination of an Option prior to its expiry date for the purpose of reissuing an Option with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option), except pursuant to the provisions in the plan which permit the Committee to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) amending an Award that results in a benefit to an insider, in which case disinterested shareholder approval is required (including amending an Award to reduce the exercise price of an option or extending the term of an Award);
- (e) amending any method or formula for calculating prices, values or amounts under the plan that may result in a benefit to a Participant, including but not limiting to the formula for determining the Exercise Price of Options;
- (f) extending the term of an Award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant);
- (g) permitting an Option to be exercisable beyond ten (10) years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (h) increasing or removing the limits on the participation of non-employee directors;
- (i) amending the amendment provisions of the plan;
- (j) amending the termination or early termination provisions of the plan or any Award;
- (k) changing the eligible participants of the plan; or
- (l) amendments required to be approved by shareholders under applicable law (including the policies of the TSXV).

Without limiting the generality of the foregoing, the Committee may, without shareholder approval, at any time or from time to time, amend the Omnibus Incentive Plan or award agreements for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendment necessary to suspend or terminate the plan;

- (c) making any amendments to add covenants of the Corporation for the protection of participants, as the case may be, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the participants, as the case may be;
- (d) amendments necessary for Awards to qualify for favourable or intended tax treatment under applicable tax law;
- (e) making any amendments not inconsistent with the plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Committee, having in mind the best interests of the participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Committee shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or
- (f) making such amendments of a “housekeeping” or administrative nature and such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the participants.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information with respect to the total number of Shares authorized for issuance under the Corporation’s equity compensation plans as of December 31, 2022, being the Omnibus Incentive Plan, the Option Plan and the Incentive Share Plan, each more particularly described in the section entitled “*Omnibus Incentive Plan*”, in *Schedule C – Description of Option Plan* and in *Schedule D – Description of Incentive Share Plan*. As at December 31, 2022, there were 36,311,579 Shares issued and outstanding.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, RSUs, and DSUs (a)	Weighted average exercise price of outstanding Options, RSUs, DSUs	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by shareholders:			
Omnibus Incentive Plan	Options: 550,000	\$6.94	
	RSUs: 126,123	-	
	<u>DSUs: 40,000</u>	-	
	Sub-total : 166,123	-	
	Total: 716,123	\$5.33	1,336,873 ⁽¹⁾
Incentive Share Plan	RSUs: 366,500	-	
	<u>DSUs: 196,665</u>	-	_ ⁽²⁾
	Total: 563,165	-	
Option Plan	Options: 1,014,996	\$2.80	_ ⁽²⁾
Equity compensation plans not approved by shareholders			
	-	-	-
Total	2,294,284 (6.3%)		1,336,873 (3.7%)

Note:

- (1) Calculated as 10% of the issued and outstanding Shares at December 31, 2022 less the then outstanding Options, RSUs, DSUs under all plans. There is a sub-limit of 5% for RSU, DSU and PSU grants with a maximum of 1,086,290 of the 1,336,873 available for RSU, DSU and PSU grants.
- (2) No awards are available for grant under the Predecessor Plans. All new awards must be granted under the Omnibus Incentive Plan.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No director, executive officer or proposed nominee for election as a director, nor any of their associates, is or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, an “informed person” means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

To the knowledge of management of the Corporation, since the beginning of the financial year ended December 31, 2022, no informed person of the Corporation, nominee for director of the Corporation, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

ADDITIONAL INFORMATION CONCERNING THE AUDIT COMMITTEE

Reference is made to the Annual Information Form, which information is hereby incorporated by reference. The Annual Information Form can be found on SEDAR at www.sedar.com or on the Corporation’s website at www.alvopetro.com.

NON-GAAP AND OTHER FINANCIAL MEASURES

This Information Circular makes reference to various non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures as such terms are defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. Such measures are not recognized measures under GAAP and do not have a standardized meaning prescribed by IFRS and therefore might not be comparable to similar financial measures disclosed by other issuers. While these measures may be common in the oil and gas industry, the Corporation’s use of these terms may not be comparable to similarly defined measures presented by other companies. The non-GAAP and other financial measures referred to in this report should not be considered an alternative to, or more meaningful than measures prescribed by IFRS and they are not meant to enhance the Corporation’s reported financial performance or position. These are complementary measures that are used by management in assessing the Corporation’s financial performance, efficiency and liquidity and they may be used by investors or other users of this document for the same purpose.

Below is a description of the non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures used in this circular. For additional information and computations for all other measures, see the “Non-GAAP and other financial measures” section in Alvopetro’s Management’s Discussion and Analysis for the three and twelve months ended December 31, 2022 for further details, which is incorporated by reference herein and available on Alvopetro’s SEDAR profile at www.sedar.com and on our website at www.alvopetro.com.

Non-GAAP Financial Ratios

Operating netback per boe

Operating netback is calculated as natural gas, oil and condensate sales revenues less royalties and production expenses. Operating netback is calculated on a per unit basis, which is per barrel of oil equivalent (“boe”). It is a common non-GAAP measure used in the oil and gas industry and management believes this measurement assists in evaluating the operating performance of the Corporation. It is a measure of the economic quality of the Corporation’s producing assets and is useful for evaluating variable costs as it provides a reliable measure regardless of fluctuations in production. Alvopetro calculates operating netback per boe as operating netback divided by total sales volumes (barrels of oil equivalent). For a computation of operating netback and operating netback per boe see the “Non-GAAP and other financial measures” section in Alvopetro’s Management’s Discussion and Analysis for the three and twelve months ended December 31, 2022.

Operating netback margin

Operating netback margin is calculated as operating netback per boe divided by the realized sales price per boe. Operating netback margin is a measure of the profitability per boe relative to natural gas, oil and condensate sales revenues per boe. For a computation of operating netback margin see the “Non-GAAP and other financial measures” section in Alvopetro’s Management’s Discussion and Analysis for the three and twelve months ended December 31, 2022.

Capital Management Measures

Funds Flow from Operations

Funds flow from operations is a non-GAAP capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. The most comparable GAAP measure to funds flow from operations is cash flows from operating activities. Management considers funds flow from operations important as it helps evaluate financial performance and demonstrates the Corporation’s ability to generate sufficient cash to fund future growth opportunities. Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flows from operating activities however management finds that the impact of working capital items on the cash flows reduces the comparability of the metric from period to period. For a reconciliation of funds flow from operations to cash flows from operating activities see the “Non-GAAP and other financial measures” section in Alvopetro’s Management’s Discussion and Analysis for the three and twelve months ended December 31, 2022.

Net Working Capital

Net working capital is computed as current assets less current liabilities. Net working capital is a measure of liquidity and is used to evaluate financial resources. For a computation of net working capital see the “Non-GAAP and other financial measures” section in Alvopetro’s Management’s Discussion and Analysis for the three and twelve months ended December 31, 2022.

Supplementary Financial Measures

“Averaged realized price per boe” is comprised of natural gas, condensate and oil sales as determined in accordance with IFRS, divided by the Corporation’s total natural gas, condensate and oil sales volumes (barrels of oil equivalent).

“Production expenses per boe” is comprised of production expenses, as determined in accordance with IFRS, divided by the total natural gas, condensate and oil sales volumes (barrels of oil equivalent).

“G&A expenses per boe” is comprised of net G&A expense, as determined in accordance with IFRS, divided by the total natural gas, condensate and oil sales volumes (barrels of oil equivalent).

OIL AND NATURAL GAS ADVISORIES

Oil and Natural Gas Reserves

This Information Circular includes certain information contained in the independent reserve assessment and evaluation prepared by GLJ Ltd. (“GLJ”) dated February 27, 2023 with an effective date of December 31, 2022 (the “**GLJ Reserves and Resources Report**”) but represents only a portion of the disclosure required under NI 51-101. Full disclosure with respect to the Corporation’s reserves as at December 31, 2022 is contained in the Corporation’s Annual Information Form which has been filed on SEDAR (www.sedar.com). The reserves definitions used in this evaluation are the standards defined by the Canadian Oil and Gas Evaluation Handbook (COGEH) reserve definitions and are consistent with NI 51-101 and used by GLJ. The net present values of future net revenue attributable to the Alvopetro’s reserves estimated by GLJ do not represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Corporation’s reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

Boe Disclosure

The term barrels of oil equivalent ("**boe**") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6 Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this news release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Other Metrics

This Information Circular contains metrics commonly used in the oil and natural gas industry, which have been prepared by management, including finding and development costs ("**F&D costs**"), "production replacement ratio" and "recycle ratio". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons.

"F&D costs" are reflected on a per barrel of oil equivalent and are calculated as the sum of capital expenditures in the current year plus the change in future development costs ("**FDC**") for the period, divided by the change in reserves in the period, before current year production. The 2022 F&D costs are computed as follows:

2022 capital expenditures - US\$000s	24,795
Change in FDC from 2021 ⁽¹⁾ - US\$000s	10,540
Total	35,335
Change in 2P reserves before 2022 production ⁽²⁾ - thousands of boe (" Mboe ")	1,233
2022 F&D costs (per boe) - US\$	\$28.66

(1) Computed based on FDC costs from the 2P reserves in the December 31, 2022 GLJ Reserves and Resources Report less FDC costs from the December 31, 2021 GLJ Reserves and Resources Report.

(2) Computed as the change in 2P reserves from December 31, 2021 to December 31, 2022 (which increased 300 Mboe, from 8,737 Mboe to 9,037 Mboe) plus 2022 total production of 933 Mboe.

"Production replacement ratio" is calculated as total reserve additions divided by current year production. Alvo Petro's 2P production replacement ratio in 2022 is calculated as:

2P reserve additions ⁽¹⁾ - Mboe	1,233
2022 production - Mboe	933
2022 2P production replacement ratio	132%

(1) See computation in F&D costs above.

"Recycle ratio" is calculated by dividing the 2022 operating netback by F&D costs per boe for the year. The Company's 2022 recycle ratio is calculated as follows:

2022 operating netback - US\$ per boe	\$59.43
2022 F&D costs - US\$ per boe - see computation above	\$28.66
2P recycle ratio	2.1

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

FORWARD LOOKING STATEMENTS AND CAUTIONARY LANGUAGE

This Information Circular contains "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the expectations discussed in the forward-looking statements. These forward-looking statements reflect current assumptions and expectations regarding future events. Accordingly, when relying on forward-looking statements to make decisions, Alvo Petro cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. More particularly and without limitation,

this Information Circular contains forward-looking information concerning the Corporation's operational activities, proposed exploration development activities and the timing for such activities, exploration and development prospects of Alvopetro, the Corporation's plans to continue paying dividends in the future and the expected timing of production commencement from the 197(1) well. The forward-looking statements are based on certain key expectations and assumptions made by Alvopetro, including but not limited to expectations and assumptions concerning the timing of regulatory licenses and approvals, equipment availability, the success of future drilling, completion, testing, recompletion and development activities and the timing of such activities, the performance of producing wells and reservoirs, well development and operating performance, expectations regarding Alvopetro's working interest and the outcome of any redeterminations, environmental regulation, including regulation relating to hydraulic fracturing and stimulation, the ability to monetize hydrocarbons discovered, the outlook for commodity markets and ability to access capital markets, foreign exchange rates, general economic and business conditions, forecasted demand for oil and natural gas, the impact of the COVID-19 pandemic, weather and access to drilling locations, the availability and cost of labour and services, the regulatory and legal environment and other risks associated with oil and gas operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. In addition, the declaration, timing, amount and payment of future dividends remain at the discretion of the Board of Directors. Although we believe that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because we can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, reliance on industry partners, availability of equipment and personnel, uncertainty surrounding timing for drilling and completion activities resulting from weather and other factors, changes in applicable regulatory regimes and health, safety and environmental risks), commodity price and foreign exchange rate fluctuations, market uncertainty associated with financial institution instability, and general economic conditions. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Although Alvopetro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvopetro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on factors that could affect the operations or financial results of Alvopetro are included in our annual information form which may be accessed on Alvopetro's SEDAR profile at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and Alvopetro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's financial statements and Management's Discussion and Analysis for its most recently completed financial year. Copies of the documents incorporated herein by reference may be obtained on SEDAR or on request without charge from the Chief Financial Officer of the Corporation by submitting a request to the Corporation by telephone at 587-794-4224, by email: info@alvopetro.com, or by mail to Alvopetro Energy Ltd., Suite 1920, 215 – 9th Avenue SW, Calgary, Alberta, T2P 1K3, Attention: Chief Financial Officer.

OTHER MATTERS

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

SCHEDULE "A" – MANDATE OF THE BOARD OF DIRECTORS

This mandate defines the role of the Board of Directors of the Corporation. The fundamental responsibilities of the Board of Directors of Alvopetro Energy Ltd. (the "Corporation") are to: (i) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value, (ii) identify and understand the risks associated with the business of the Corporation and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls. The following are the key guidelines governing how the Board will operate to carry out its duties.

1. Duty of Oversight

The Board is responsible for overseeing and supervising management's conduct of the business of the Corporation to ensure that such business is being conducted in the best interests of the Corporation and its shareholders.

2. Formulation of Corporate Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board shall ensure there is a formal strategic planning process in place and shall review and, if it sees fit, endorse the corporate strategy presented by management. The Board shall monitor the implementation and execution of the corporate strategy.

3. Principal Risks

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are the Audit Committee and the Reserves Committee and the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

4. Internal Controls and Communication Systems

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

5. Financial Reporting, Operational Reporting and Review

The Board ensures that processes are in place to address applicable regulatory, corporate, securities and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosure of the Corporation.

The Board reviews and approves the financial statements, related MD&A and reserves evaluations of the Corporation.

The Board reviews annual operating and capital plans and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating plans or matters of policy which diverge from the ordinary course of business.

The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

6. Succession Planning and Management Development

The Board considers succession planning and management recruitment and development. The Chief Executive Officer and the Compensation Committee shall periodically review succession planning and management recruitment and development.

7. Disclosure and Communication Policy

The Corporation has adopted a policy governing disclosure and communication concerning the affairs of the Corporation. Housekeeping and non-material amendments to the Policy may be made by the Disclosure Committee. Significant changes to the Disclosure and Communication Policy shall be reviewed by the Board.

8. The Chair of the Board

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

9. Committees

The Board may appoint such committees as it sees fit. Each committee operates according to the mandate for such committee approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the mandate of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

10. Committee Chairs and Committee Members

The Chair shall propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.

Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and mandate. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

11. Board Meetings, Agendas and Notice

The Board will meet a minimum of 4 times per year.

The Chair, in consultation with the Chief Executive Officer, the Chief Financial Officer and the VP Legal and Corporate, will develop the agenda for each Board meeting. Under normal circumstances, management will use its best effort to distribute the agenda and related materials to directors not less than two business days before the meeting. All directors are free to suggest additions to the agenda.

Notice of the time and place of every meeting may be given orally, or in writing, or by e-mail to each member of the Committee at least two business days prior to the time fixed for such meeting. A member may in any manner waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice of the meeting except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

12. Information for Board Meetings

Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific

subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

13. Non-Directors at Board Meetings

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, can determine management attendees at Board meetings.

14. Board Relations with Management

Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President and Chief Executive Officer or through Board and committee meetings. While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

15. New Director Orientation

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

16. Assessing the Board's Performance

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

17. Board Compensation

The Compensation Committee will review director compensation in accordance with the mandate of the Compensation Committee and will make changes in compensation to the Board when warranted and in light of the responsibilities and risks involved in being a director.

18. Annual Evaluation of the President and Chief Executive Officer – Compensation Committee

The Compensation Committee will conduct an annual performance review of President and Chief Executive Officer in accordance with the mandate of the Compensation Committee. The results of this performance review will be communicated to the President and Chief Executive Officer by the Chair of the Compensation Committee.

19. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

20. Conflict of Interest

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.

- (b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.
- (c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict with that director's duty to the Corporation.
- (d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.
- (e) The disclosures contemplated in paragraphs (c) & (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest.
- (f) A director's disclosure to the Board shall disclose the full nature and extent of that director's interest either in writing or by having the interest entered in the minutes of the meeting of the Board.
- (g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis a vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract of transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director's remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.
- (h) Without limiting the generality of "conflict of interest" it shall be deemed a conflict of interest if a director, a director's relative, a member of the director's household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Corporation.
- (i) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.
- (j) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

21. Corporate Governance and Nominating

The Board retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board shall establish and maintain such corporate governance policies and procedures as are necessary to ensure that the Corporation is fully compliant with applicable securities laws and prevailing governance standards. Such policies and procedures shall contain clear reporting, oversight and enforcement provisions that reserve the right to the Board to take appropriate remedial action in the event of a breach thereof. The Board shall mandate the Corporation's Corporate Secretary and professional advisors to keep it apprised of developing corporate governance issues and shall, each year after the annual shareholder meeting of the Corporation, review the sufficiency of the Corporation's corporate governance policies and procedures.

The Board retains overall responsibility to identify and recommend suitable candidates for nomination for election as directors of the Corporation, consider the competencies and skills the Board, as a whole, should possess.

22. Mandate Review

This mandate shall be reviewed and approved by the Board each year.

SCHEDULE “B” – OMNIBUS INCENTIVE PLAN



**ALVOPETRO ENERGY LTD.
OMNIBUS INCENTIVE PLAN**

Effective Date: June 22, 2022

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ALVOPETRO ENERGY LTD.

OMNIBUS INCENTIVE PLAN

ARTICLE 1 - PURPOSES OF THE PLAN

1.1 Purposes of the Plan

The purposes of the Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with those of other shareholders of the Corporation generally; and (iii) enable and encourage Participants to participate in the long-term growth and success of the Corporation through the acquisition of Common Shares.

1.2 Effective Date

This Plan shall become effective upon the date of approval by the shareholders of the Corporation given by affirmative vote of the majority of the Common Shares represented at the meeting of the shareholders of the Corporation at which motion to approve the Plan is presented, being the Effective Date.

1.3 Successor Plan

From and after the Effective Date, the Plan shall serve as the replacement to the Corporation's Stock Option Plan and Incentive Share Plan, in each case, as amended or restated from time to time (the "**Predecessor Plans**") and no further awards shall be made under the Predecessor Plans; however, all awards that are outstanding under the Predecessor Plans as of the Effective Date shall continue to be governed by the terms and conditions of the Predecessor Plans, as applicable.

ARTICLE 2 - DEFINED TERMS

2.1 Definitions

Where used herein, the following terms shall have the following meanings, respectively:

- (a) "**Actively Employed**" means when a Participant is employed and actively providing services to the Corporation or a Subsidiary, or a Participant is on a vacation or a leave of absence approved by the Corporation or a Subsidiary or authorized under applicable law. For purposes of this Plan, except as may be required to comply with minimum requirements of applicable employment standards legislation, a Participant is not Actively Employed if his or her employment has been terminated by the Participant's resignation or by the Corporation or a Subsidiary, regardless of whether the Participant's employment has been terminated with or without Cause, lawfully or unlawfully or with or without notice, and, except as may be required by minimum requirements of applicable employment standards legislation, being Actively Employed does not include any period during, or in respect of, which a Participant is receiving or is entitled to receive payments in lieu of notice (whether by way of lump sum or salary continuance), benefits continuance, severance pay, damages for wrongful dismissal or other termination related payments or benefits, in each case, whether pursuant to statute, contract, common law, civil law or otherwise;
- (b) "**Applicable Withholding Taxes**" means any and all taxes and other source deductions or other amounts which the Corporation or a Subsidiary is required by law to withhold from any amounts to be paid or credited hereunder;

- (c) **"Award"** means an Option or a Share Unit granted to a Participant pursuant to the terms of the Plan;
- (d) **"Award Agreement"** means either (i) an agreement entered into by the Corporation and a Participant setting forth the terms and conditions applicable to Awards granted under the Plan; or (ii) a statement issued by the Corporation to a Participant describing the terms and conditions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance;
- (e) **"Blackout Period"** means a period of time during which, pursuant to any applicable laws or policies of the Corporation (including the Corporation's insider trading policy, as amended or restated from time to time), any securities of the Corporation may not be traded by Participants, including any period in which Insiders or other specified persons are in possession of material undisclosed information, but excluding any period during which a regulator has halted trading in the Corporation's securities;
- (f) **"Board"** or **"Board of Directors"** means the board of directors of the Corporation as may be constituted from time to time;
- (g) **"Business Day"** means any day on which the Exchange is open for business;
- (h) **"Cause"** means (i) if the Participant has a written agreement pursuant to which the Participant offers services to the Corporation or a Subsidiary and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or otherwise (ii): (a) the failure of the Participant to follow the Corporation's or a Subsidiary's reasonable instructions with respect to the performance of the Participant's duties; (b) any material breach by the Participant of the Participant's obligations under any code of ethics, any code of business conduct or any lawful policies or procedures of the Corporation or a Subsidiary (as applicable); (c) a Participant's excessive absenteeism, flagrant neglect of duties or serious misconduct involving the property, business or affairs of the Corporation or a Subsidiary or the carrying out of the Participant's duties with respect to the Corporation or a Subsidiary; (d) the Participant is convicted of, or pleads guilty to, a crime which constitutes an indictable offence; and (e) any other act or omission of the Participant which would be treated by the courts of the jurisdiction in which the Participant is employed or engaged to constitute cause for termination of employment or engagement, as applicable;
- (i) **"Change of Control"** means the occurrence of any one or more of the following:
 - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Subsidiaries and another corporation or other entity, as a result of which the holders of Common Shares prior to the completion of the transaction hold less than 50% of the outstanding shares of the successor corporation after completion of the transaction;
 - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation and/or any of its Subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its Subsidiaries;
 - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;

- (iv) any person, entity or group of persons or entities acting jointly or in concert (an **"Acquiror"**) acquires or acquires control (including, without limitation, the right to vote or direct the voting) of Voting Securities of the Corporation which, when added to the Voting Securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror and/or Associates and/or affiliates of the Acquiror to cast or to direct the casting of 20% or more of the votes attached to all of the Corporation's outstanding Voting Securities which may be cast to elect directors of the Corporation or the successor corporation (regardless of whether a meeting has been called to elect directors);
- (v) as a result of or in connection with: (A) a contested election of directors; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Subsidiaries and another corporation or other entity, the nominees named in the most recent management information circular of the Corporation for election to the Board shall not constitute a majority of the Board; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, **"Voting Securities"** means Common Shares and any other shares entitled to vote for the election of directors of the Corporation and shall include any security, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors of the Corporation but are convertible into or exchangeable for shares which are entitled to vote for the election of directors of the Corporation including any options or rights to purchase such shares or securities;

- (j) **"Common Shares"** means the common shares of the Corporation, and such other shares or securities as may be substituted therefore as a result of any change to the shares of the Corporation or any capital reorganization, arrangement, amalgamation, combination, recapitalization, merger or other event affecting all of the common shares of the Corporation;
- (k) **"Committee"** means the Board of Directors or, if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan from time to time;
- (l) **"Consultant"** means, in relation to the Corporation or a Subsidiary, an individual (other than a Director or Employee) or Company that: (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a Distribution; (ii) provides the services under a written contract between the Corporation or a Subsidiary and the individual, as the case may be; and (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary;
- (m) **"Company"** means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (n) **"Corporation"** means Alvopetro Energy Ltd. and includes any successor corporation thereof;
- (o) **"Director"** means any individual who is a member of the Board of Directors and who is not also an Employee or Consultant;

- (p) **"Disability"** means, in respect of a Participant, suffering from a state of mental or physical disability, illness or disease that prevents the Participant from carrying out his or her normal duties as an Employee for a continuous period of six (6) months or for any period of one hundred and eighty (180) days in any consecutive twelve (12) month period, as certified by two medical doctors or as otherwise determined in accordance with procedures established by the Committee for purposes of this Plan;
- (q) **"Distribution"** has the meaning ascribed thereto in the Exchange Policies;
- (r) **"Dividend Equivalent"** means a right equivalent in value to a Share Unit credited to a Participant in accordance with Section 9.1. Dividend Equivalents shall not apply to a Share Unit unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine;
- (s) **"DSU" or "Deferred Share Unit"** means a right granted under Article 6 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement of the Award, subject to the terms of the Plan and the applicable Award Agreement;
- (t) **"Effective Date"** means the date this Plan shall become effective as described in Section 1.2;
- (u) **"Employee"** means any employee or officer (including executive officer) of the Corporation or a Subsidiary;
- (v) **"Exchange"** means the TSX Venture Exchange or, if the Common Shares are not then listed and posted for trading on TSX Venture Exchange, on such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the Committee;
- (w) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange, each as amended or restated from time to time;
- (x) **"Exercise Price"** means the price at which a Common Share may be purchased pursuant to the exercise of a particular vested Option, as the same may be adjusted in accordance with the terms of the Plan;
- (y) **"Expiry Date"** means the expiry date specified in the Award Agreement, following which an Award may no longer be exercised or settled. The Expiry Date shall not be later than the ten (10) year anniversary of the date the Award was granted, subject to Section 9.2;
- (z) **"Insider"** has the meaning ascribed thereto in the Exchange Policies;
- (aa) **"Investor Relations Service Providers"** has the meaning ascribed thereto in the Exchange Policies;
- (bb) **"Option"** means a right granted under Article 5 herein to purchase a Common Share issued from treasury at a stated Exercise Price for a specified period of time, subject to the terms of the Plan and the applicable Award Agreement;
- (cc) **"Participant"** means any Director, Employee or Consultant to whom an Award is granted under this Plan;

- (dd) **"Payout Percentage"** means a percentage between 0% and 200% calculated at the time of the vesting of a PSU based on performance criteria established by the Committee in its discretion at the time of the grant of the PSU;
- (ee) **"Performance Period"** means, with respect to PSUs, the period of time specified in the Award Agreement during which the applicable performance criteria in respect of the PSUs may be achieved;
- (ff) **"Person"** shall mean any natural person, firm, partnership, limited liability company, association, corporation, company, trust, business trust, governmental authority or other entity and, for greater certainty, includes any Company;
- (gg) **"Plan"** means this Omnibus Incentive Plan of the Corporation, as may be amended or restated from time to time;
- (hh) **"PSU"** or **"Performance Share Unit"** means a right granted under Article 7 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Plan and the applicable Award Agreement, which generally becomes vested, if at all, subject to the attainment of performance criteria established by the Board in its discretion at the time of the grant of the PSU;
- (ii) **"RSU"** or **"Restricted Share Unit"** means a right granted under Article 8 herein, denominated in units, to receive a fully-paid and non-assessable Common Share issued from treasury upon settlement, subject to the terms of the Plan and the applicable Award Agreement, which generally becomes vested, if at all, following a period of continuous employment or engagement;
- (jj) **"Securities Laws"** means the acts, policies, bylaws, rules and regulations of the securities commissions governing the granting of Awards by the Corporation, as amended or restated from time to time;
- (kk) **"Security Based Compensation Plan"** has the meaning ascribed thereto in the Exchange Policies;
- (ll) **"Share Unit"** means an RSU, PSU, DSU or Dividend Equivalent, as the context requires;
- (mm) **"Subsidiary"** means any corporation that is a subsidiary of the Corporation, as such term is defined under subsection 2(4) of the Business Corporations Act (Alberta), as amended or restated from time to time;
- (nn) **"Termination Date"** means (i) in respect of a Participant who is a Consultant or a Director, the date the Participant ceases to provide services to the Corporation or a Subsidiary (for any reason), and (ii) in respect of a Participant who is an Employee, the Participant's last day of Active Employment by the Corporation or a Subsidiary for any reason whatsoever, but in any case (a) regardless of whether the Participant's employment is terminated with or without Cause, through actions or events constituting constructive dismissal, lawfully or unlawfully, with or without any adequate reasonable notice, or with or without any adequate compensation in lieu of such reasonable notice, and without regard to whether the Participant continues thereafter to receive any compensatory payments or other amounts from the Corporation or a Subsidiary, and (b) except as may be required by minimum requirements of applicable employment standards legislation, does not include any severance period or notice period to which the Participant might then be entitled or any period of salary continuance or deemed employment or other damages paid or payable to the Participant in respect of his or her termination of employment, and, in the case of both

subsections (a) and (b), whether pursuant to any applicable statute, contract, civil law, the common law or otherwise. Any such severance period or notice period shall not be considered a period of employment for the purposes of a Participant's rights under the Plan; and

- (oo) **"VWAP"** means the volume weighted average trading price per share for the Common Shares on the Exchange for the five (5) consecutive trading days ending on the last trading day preceding the applicable day.

2.2 Interpretation

- (a) Whenever the Committee or the Corporation exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Committee or the Corporation, as applicable.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 - ADMINISTRATION OF THE PLAN

3.1 Administration

The Plan shall be administered by a committee of the Board consisting of not less than three (3) directors. Subject to applicable laws, the Exchange Policies and the terms and conditions herein, the Committee has sole and complete authority, in its discretion, to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Participants, establishing all Award terms and conditions, including grant, Exercise Price, vesting terms, determining any performance criteria applicable to Awards and whether such performance criteria has been achieved, and subject to Article 12, adopting any modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the applicable laws or compensation practices of the jurisdictions in which the Corporation and its Subsidiaries operate.

3.2 Delegation

The Committee may delegate to one or more of its members any administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable

law. The day-to-day administration of the Plan may be delegated to such officers and employees of the Corporation as the Committee determines.

3.3 Determinations Binding

Except as may be otherwise set forth in any written employment or service agreement, Award Agreement or other written agreement between the Corporation or a Subsidiary, on the one hand, and a Participant, on the other hand, any decision made or action taken by the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan or any Award (including any Award Agreement) is final, conclusive and binding on the Corporation and all Subsidiaries, the affected Participant(s), their respective legal representatives and all other Persons.

3.4 Eligibility

All Employees, Consultants and Directors are eligible to participate in the Plan. Participation in the Plan is voluntary and eligibility to participate does not confer upon any Employee, Consultant or Director any right to receive any grant of an Award pursuant to the Plan. The extent to which any Employee, Consultant or Director is entitled to receive a grant of an Award pursuant to the Plan will be determined at the discretion of the Committee. The Committee and the Participant are responsible for ensuring and confirming that such Participant is a *bona fide* Employee, Consultant or Director.

ARTICLE 4 - SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Maximum Number of Common Shares Available for Awards

The aggregate maximum number of Common Shares available for issuance pursuant to the exercise or settlement, as applicable, of all Awards granted under the Plan, together with awards granted under the Security Based Compensation Plans of the Corporation, will be 10% of the total issued and outstanding Common Shares from time to time (on a non-diluted basis); provided that, the aggregate maximum number of Common Shares available for issuance pursuant to the settlement of all DSUs, RSUs and PSUs (and related Dividend Equivalents, if applicable) granted under this Plan, together with awards granted under the Corporation's Incentive Share Plan, shall not exceed 5% of the total issued and outstanding Common Shares from time to time (on a non-diluted basis). In respect of PSUs, the maximum number of Common Shares issuable under the grant shall be included in the calculation for purposes of this Section 4.1. Any Common Shares underlying Options or stock options under the Corporation's Stock Option Plan that have been exercised, or disposed of or that have expired or been terminated for any reason (without being exercised), shall become available for subsequent issuance under the Plan. Any Common Shares underlying Share Units or awards under the Corporation's Incentive Share Plan that have been settled, or disposed of or that have expired or been terminated for any reason (without being settled), shall become available for subsequent issuance under the Plan. The Plan is a "rolling plan" in respect of all Awards and as a result, any and all increases in the number of issued and outstanding Common Shares will result in an increase to the number of Awards available for grant.

4.2 Additional Limits on Grants of Awards

Any grant of Awards under the Plan shall be subject to the following restrictions (each on a non-diluted basis):

- (a) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to any one individual (including any corporation wholly owned by such individual) in any twelve (12) month period shall not exceed 5% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite acceptance and disinterested shareholder approval, if required,

in accordance with the Exchange Policies, including Part 6 of the TSX Venture Exchange Policy 4.4, as amended from time to time);

- (b) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to Insiders (as a group) shall not exceed 10% of the issued and outstanding Common Shares at any point in time (unless the Company has obtained the requisite disinterested shareholder approval in accordance with the Exchange Policies);
- (c) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to Insiders (as a group) in any twelve (12) month period shall not exceed 10% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with the Exchange Policies);
- (d) the aggregate number of Common Shares issuable pursuant to Awards under the Plan, together with awards under any other Security Based Compensation Plan of the Corporation, granted to any one Person who is a Consultant in any twelve (12) month period shall not exceed 2% of the issued and outstanding Common Shares determined at the time of such grant (unless the Corporation has obtained the requisite disinterested shareholder approval, if required, in accordance with the Exchange Policies, including Part 6 of the TSX Venture Exchange Policy 4.4, as amended from time to time); and
- (e) Investor Relations Service Providers shall only be entitled to Options under the Plan and the aggregate number of Common Shares issuable pursuant to Options under the Plan, together with stock options under any other Security Based Compensation Plan of the Corporation, granted to all Investor Relations Service Providers in any twelve (12) month period, shall not exceed 2% of the issued and outstanding Common Shares determined at the time of grant.

4.3 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Committee may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, any Award Agreement to a Participant granted an Award pursuant to this Plan.

4.4 Non-transferability of Awards

Except as permitted by the Committee and subject to Exchange approval, and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant by will or as required by applicable law (and in accordance with Section 10.3), no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards or under this Plan whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 5 - OPTIONS

5.1 Granting of Options

The Committee may, from time to time, grant Options to such Participants as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of Options will be subject to the terms and conditions contained herein and in the applicable Award Agreement and may be subject to additional

conditions determined by the Committee from time to time. The grant of an Option to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an Option.

5.2 Exercise Price

The Exercise Price shall be fixed by the Committee when the Option is granted, provided that such price shall be determined in accordance with the rules of the Exchange (as applicable) and shall not be less than the VWAP as of the Grant Date.

5.3 Term of Options

An Option must be exercised no later than the Expiry Date set by the Committee at the time of grant, following which time the Option shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

5.4 Vesting of Options

The vesting period or periods within the term following which an Option may be exercised by a Participant shall be determined by the Committee and set out in the applicable Award Agreement, subject to the rules of the Exchange.

Subject to Section 12.3, the Committee may, in its discretion at any time or in the Award Agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. However, notwithstanding the foregoing, Options granted to an Investor Relations Service Provider must vest in stages over a period of not less than twelve (12) months with no more than one quarter (1/4) of the Options vesting in any three (3) month period.

5.5 Exercise of Options

Subject to the provisions of the Plan and the applicable Award Agreement, a vested Option may be exercised from time to time by the Participant (or the Participant's legal representative in the case of the Participant's death) by delivery to the Corporation of a properly executed exercise notice in such form(s) as may be determined by the Committee from time to time (the "**Exercise Notice**"). The Exercise Notice shall state the intention of the Participant (or the Participant's legal representative, if applicable) to exercise the said Option.

5.6 Payment and Net Share Exercise Right

The Exercise Notice shall be accompanied by payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the vested Options being exercised, which shall be payable by cheque, bank draft or wire transfer. Notwithstanding the foregoing, provided that the Corporation is in compliance with the rules of the Exchange (if applicable), the Corporation may, in its discretion, permit the Participant to elect that the Corporation satisfy any obligations to the Participant in respect of any vested Options so exercised by the Participant by issuing such number of Common Shares to the Participant that is equal in value to the difference between: (i) the VWAP of the Common Shares or, in the event that the Common Shares are not listed and posted for trading on any stock exchange, the fair market value of the Common Shares as determined by the Board, in each case, on the applicable day; and (b) the aggregate Exercise Price of the vested Options being exercised (the "**Net Share Exercise Right**"). The Net Share Exercise Right shall not be available to any Participants who are Investor Relations Service Providers.

Upon the issuance of Common Shares in connection with the exercise of any vested Options, such vested Options shall terminate and be of no further force or effect and the Participant shall cease to have any further rights in respect thereof.

5.7 Cashless Exercise Right

If permitted by the Corporation, the Exercise Notice may also be accompanied by the Participant's election to provide payment in full of the aggregate Exercise Price and any Applicable Withholding Taxes in respect of the vested Options being exercised pursuant to a broker-assisted cashless exercise whereby the Participant or his or her legal representative shall elect on the Exercise Notice to receive: (i) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the vested Options by a securities dealer designated by the Corporation, less the aggregate Exercise Price, any Applicable Withholding Taxes, and any transfer costs charged by the securities dealer to sell the Common Shares; (ii) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the vested Options minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate Exercise Price, any Applicable Withholding Taxes and any transfer costs charged by the securities dealer to sell the Common Shares; or (iii) a combination of (i) and (ii).

ARTICLE 6 - DEFERRED SHARE UNITS

6.1 Granting of DSUs

The Committee may, from time to time, grant DSUs to such Participants that are Directors as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of DSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Committee from time to time. The grant of a DSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a DSU. Notwithstanding the foregoing, DSUs may not be granted to Investor Relations Service Providers.

6.2 Term of DSUs

A DSU must be settled no later than the Expiry Date set by the Committee at the time of grant (if applicable), following which time the DSU (whether vested or unvested) shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

6.3 Vesting of DSUs

The vesting period or periods within the term following which DSUs may be settled by a Participant shall be determined by the Committee and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange.

6.4 Settlement of DSUs

Subject to the provisions of the Plan and the applicable Award Agreement, vested DSUs may be settled at any time prior their applicable Expiry Date by the Participant (or the Participant's legal representative in the case of the Participant's death) delivering to the Corporation of a properly executed settlement notice in such form(s) as may be determined by the Committee from time to time (the "**DSU Settlement Notice**"). In respect of each vested DSU being settled by the Participant pursuant to the DSU Settlement Notice, the Corporation shall, subject to Section 9.3, issue to the Participant (or the Participant's legal representative, if applicable) such number of Common Shares that is equal to the number of vested DSUs (and related Dividend Equivalents, if any) being settled pursuant to the DSU Settlement Notice (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares. Notwithstanding the ability of the Corporation to settle vested DSUs (and related Dividend Equivalents, if any) in Common Shares, the Corporation may, in its discretion, permit applicable Participants to elect in their DSU Settlement Notice to receive an amount in cash (net of Applicable Withholding Taxes) equal to all or a portion of the vested

DSUs (and related Dividend Equivalents, if any) being settled by the Participant pursuant to the DSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Any DSUs (and Dividend Equivalents, if applicable) that are settled pursuant to this Section by the Participant shall be cancelled on the settlement date and the Participant shall have no further rights, title or interest with respect thereto.

ARTICLE 7 - RESTRICTED SHARE UNITS

7.1 Granting of RSUs

The Committee may, from time to time, grant RSUs to such Participants as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of RSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Committee from time to time. Notwithstanding the foregoing, RSUs may not be granted to Investor Relations Service Providers.

The grant of an RSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of an RSU. In all cases, RSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of the Participant's services to the Corporation or a Subsidiary.

7.2 Term of RSUs

A RSU must be settled no later than the Expiry Date set by the Committee at the time of grant, following which time the RSU (whether vested or unvested) shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

7.3 Vesting of RSUs

The vesting period or periods within the term following which RSUs may be settled by a Participant shall be determined by the Committee and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Subject to the Committee expressly providing to the contrary, a Participant's RSUs shall vest as to 1/3rd on each of the first three (3) anniversaries of the date of grant.

7.4 Settlement of RSUs

Subject to the provisions of the Plan and the applicable Award Agreement, vested RSUs may be settled at any time prior their applicable Expiry Date by the Participant (or the Participant's legal representative in the case of the Participant's death) delivering to the Corporation of a properly executed settlement notice in such form(s) as may be determined by the Committee from time to time (the "**RSU Settlement Notice**"). In respect of each vested RSU being settled by the Participant pursuant to the RSU Settlement Notice, the Corporation shall, subject to Section 9.3, issue to the Participant (or the Participant's legal representative, if applicable) such number of Common Shares that is equal to the number of vested RSUs (and related Dividend Equivalents, if any) being settled pursuant to the RSU Settlement Notice (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares. Notwithstanding the ability of the Corporation to settle vested RSUs (and related Dividend Equivalents, if any) in Common Shares, the Corporation may, in its discretion, permit applicable Participants to elect in their RSU Settlement Notice to receive an amount in cash (net of Applicable Withholding Taxes) equal to all or a portion of the vested RSUs (and related Dividend Equivalents, if any) being settled by the Participant pursuant to the RSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Any RSUs (and Dividend Equivalents, if applicable) that are settled pursuant to this Section by the Participant shall be cancelled on the settlement date and the Participant shall have no further rights, title or interest with respect thereto.

ARTICLE 8 - PERFORMANCE SHARE UNITS

8.1 Granting of PSUs

The Committee may, from time to time, grant PSUs to such Participants (other than Directors) as it chooses and, subject to the restrictions herein, in such numbers as it chooses. The grant of PSUs will be subject to the terms and conditions contained herein and in the applicable Award Agreement, and may be subject to additional conditions determined by the Committee from time to time. Each PSU Award Agreement shall set out the applicable performance criteria and Performance Period in respect of such PSUs. Notwithstanding the foregoing, PSUs may not be granted to Investor Relations Service Providers.

The grant of a PSU to a Participant at any time shall neither entitle such Participant to receive, nor preclude such Participant from receiving, a subsequent grant of a PSU. In all cases, PSUs shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages payable to a Participant in respect of the Participant's services to the Corporation or a Subsidiary.

8.2 Term of PSUs

A PSU must be settled no later than the Expiry Date set by the Committee at the time of grant, following which time the PSU (whether vested or unvested) shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

8.3 Vesting of PSUs

The vesting period or periods within the term following which PSUs may be settled by a Participant shall be determined by Committee and set forth in the applicable Award Agreement and shall be subject to the rules of the Exchange. Subject to the Committee expressly providing to the contrary, a Participant's PSUs shall vest on the third anniversary of the date of grant, conditional on the satisfaction of any performance criteria during the applicable Performance Period. The Payout Percentage for each PSU shall be determined by the Committee, in its discretion, at the time of vesting.

8.4 Settlement of PSUs

Subject to the provisions of the Plan and the applicable Award Agreement, vested PSUs may be settled at any time prior their applicable Expiry Date by the Participant (or the Participant's legal representative in the case of the Participant's death) delivering to the Corporation of a properly executed settlement notice in such form(s) as may be determined by the Committee from time to time (the "**PSU Settlement Notice**"). In respect of each vested PSU being settled by the Participant pursuant to the PSU Settlement Notice, the Corporation shall, subject to Section 9.3, issue to the Participant (or the Participant's legal representative, if applicable) such number of Common Shares that is equal to the number of vested PSUs (and related Dividend Equivalents, if any) being settled pursuant to the PSU Settlement Notice (rounded down to the nearest whole number), as fully paid and non-assessable Common Shares. Notwithstanding the ability of the Corporation to settle vested PSUs (and related Dividend Equivalents, if any) in Common Shares, the Corporation may, in its discretion, permit applicable Participants to elect in their PSU Settlement Notice to receive an amount in cash (net of Applicable Withholding Taxes) equal to all or a portion of the vested PSUs (and related Dividend Equivalents, if any) being settled by the Participant pursuant to the PSU Settlement Notice multiplied by the VWAP as at the applicable settlement date.

Any PSUs (and Dividend Equivalents, if applicable) that are settled pursuant to this Section by the Participant shall be cancelled on the settlement date and the Participant shall have no further rights, title or interest with respect thereto.

ARTICLE 9 - ADDITIONAL AWARD TERMS

9.1 Dividend Equivalents

Participants holding DSUs, RSUs and PSUs granted under this Plan may, if the Committee so determines, be credited with Dividend Equivalents with respect to the underlying Common Shares while they are so held in a manner determined by the Committee in its discretion. Dividend Equivalents shall not apply to DSUs, RSUs or PSUs unless specifically provided for in the Award Agreement.

Dividend Equivalents shall be subject to the same vesting and settlement conditions applicable to the related DSU, RSU and PSU and shall be payable on the settlement date of the related DSU, RSU or PSU in the same form as the related DSU, RSU or PSU being settled, provided that, in no event shall the settlement of Dividend Equivalents cause the maximum number of Common Shares issuable under Article 4 (as applicable) to be exceeded. The number of additional Common Shares to be issued pursuant to this section shall be included in the maximum number of Common Shares issuable under Article 4 (as applicable).

The foregoing does not obligate the Corporation to declare or pay dividends on Common Shares and nothing in this Plan shall be interpreted as creating such an obligation.

9.2 Blackout Period

Notwithstanding the provisions contained herein for the expiry of Awards, in the event that the Expiry Date of an Award falls during or within two (2) Business Days following the end of a Blackout Period, the Expiry Date of such Award shall be extended for a period of ten (10) Business Days following the end of the Blackout Period.

9.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, exercise or settlement of each Award under this Plan is subject to the condition that if at any time the Committee determines, in its discretion, that the satisfaction of Applicable Withholding Taxes is necessary or desirable in respect of such grant, exercise or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Committee. In such circumstances, the Committee may require that a Participant pay to the Corporation the minimum amount as the Corporation or a Subsidiary is obliged to withhold or remit to the relevant taxing authority in respect of the granting, exercise or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a Subsidiary, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation may (i) withhold any Applicable Withholding Taxes from any remuneration or other amount payable by the Corporation or any Subsidiary to the Participant, (ii) permit a Participant to authorize a securities dealer designated by the Corporation, on behalf of the Participant, to sell in the capital markets a portion of the Common Shares issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes, or (iii) enter into any other suitable arrangements for the receipt of such amounts.

9.4 Recoupment

Notwithstanding any other terms of this Plan and subject to rules of the Exchange, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant Subsidiary from time to time and in effect at the date of grant of the Award, or as set out in the Participant's employment or

service agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Committee may at any time waive the application of this Section 9.4 to any Participant or category of Participants.

ARTICLE 10 - TERMINATION OF EMPLOYMENT OR ENGAGEMENT

10.1 Termination without Cause or Voluntary Resignation

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary without Cause or the Participant's resignation (including a resignation from the Board in respect of Directors), all unvested Options held by the Participant on the Participant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. The Participant may, within 30 days after the Participant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 30-day period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary without Cause or the Participant's resignation (including a resignation from the Board in respect of Directors), all unvested Share Units held by the Participant on the Participant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal. The Participant may, within 30 days after the Participant's Termination Date, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.4, 7.4 or 8.4, as applicable. At the end of such 30-day period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

The provisions of this Plan may take away or limit a Participant's common or civil law rights, as applicable, to the Participant's Awards and any common or civil law rights, as applicable, to damages as compensation for the loss, or continued vesting, of the Participant's Awards during any reasonable notice period.

10.2 Termination for Cause

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary for Cause, all Awards held by the Participant on the Participant's Termination Date, whether vested or unvested, shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

10.3 Death or Disability

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of the Participant's death or, in the case of an Employee, the incurrence of a Disability, all unvested Options held by the Participant on the Participant's Termination Date or date of death, as applicable, shall automatically terminate on the Termination Date or date of death,

as applicable, and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Participant (or the Participant's legal representative in the case of the Participant's death) may, within 12 months after the Participant's Termination Date or date of death, as applicable, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 12-month period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant (or the Participant's legal representative in the case of the Participant's death) in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Committee, if a Participant's employment or engagement with the Corporation or a Subsidiary ceases as a result of the Participant's death or, in the case of an Employee, the incurrence of a Disability, a pro rata portion of the unvested Share Units held by the Participant on the Termination Date will vest. The number of unvested RSUs and DSUs (and related Dividend Equivalents, if applicable) that will vest will be based on the number of days elapsed between the applicable date of grant and the Termination Date and the number of PSUs (and related Dividend Equivalents, if applicable) that will vest will be based on performance achieved up to the Termination Date as determined by the Committee in its discretion. All unvested Share Units shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

The Participant (or the Participant's legal representative in the case of the Participant's death) may, within 12 months after the Participant's Termination Date or date of death, as applicable, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.4, 7.4 or 8.4, as applicable. At the end of such 12-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

10.4 Termination of Consultants

Notwithstanding any provision herein to the contrary, only the provisions set forth in this Section 10.4 and Section 10.5 shall govern the treatment of Awards held by Consultants in connection with a cessation of a Consultant's engagement with the Corporation or a Subsidiary.

Unless otherwise determined by the Committee, if a Consultant's engagement with the Corporation or a Subsidiary ceases as a result of a termination by the Corporation or a Subsidiary for Cause, all Awards held by the Consultant on the Consultant's Termination Date, whether vested or unvested, shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Consultant in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Committee, if a Consultant's engagement with the Corporation or a Subsidiary ceases for any reason other than for Cause, all unvested Options held by the Consultant on the Consultant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Consultant may, within 30 days after the Consultant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Consultant's vested Options in accordance with Section 5.5. At the end of such 30-day period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

Unless otherwise determined by the Committee, if a Consultant's engagement with the Corporation or a Subsidiary ceases for any reason other than for Cause, all unvested Share Units held by the Consultant on the Consultant's Termination Date shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation,

damages or otherwise. The Consultant may, within 30 days after the Consultant's Termination Date, or such shorter period as is remaining in the term of the Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 7.4 or 8.4, as applicable. At the end of such 30-day period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise.

10.5 Discretion to Permit Acceleration

Notwithstanding the provisions of Sections 10.1, 10.2, 10.3 and 10.4, and subject to the requirement to obtain shareholder approval per the Exchange Policies and the rules of the Exchange, the Committee may, in its discretion, at any time prior to, or following the events contemplated in such Sections, or in an employment or service agreement, Award Agreement or other written agreement between the Corporation or a Subsidiary and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Committee. Notwithstanding the following, Options granted to Investor Relations Service Providers cannot be accelerated without the prior acceptance of the Exchange.

10.6 Participants' Entitlements

The Plan does not confer upon a Participant any right with respect to continuation of employment or engagement by the Corporation or any of its Subsidiaries, nor does it interfere in any way with the right of the Participant or the Corporation or any Subsidiary to terminate the Participant's employment or engagement at any time and for any reason.

Awards shall not be affected by any change of employment or engagement of the Participant where the Participant continues to be employed or engaged by the Corporation or any of its Subsidiaries.

ARTICLE 11 - EVENTS AFFECTING THE CORPORATION

11.1 General

The existence of any Award does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Common Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 11 would have an adverse effect on this Plan or on any Award granted hereunder. In the event of any corporate event or transaction involving the Corporation (including, but not limited to, a change in the Common Shares or the capitalization of the Corporation), such as a merger, consolidation, reorganization, recapitalization, separation, stock dividend, stock split, reverse stock split, split-up, spin-off, combination of shares, exchange of shares, dividend in kind, extraordinary cash dividend, amalgamation or other like change in capital structure (other than normal cash dividends to shareholders of the Corporation), or any similar corporate event or transaction, the Committee, to prevent dilution or enlargement of Participants' rights under the Plan, shall substitute or adjust, in its discretion: (i) the number and kind of shares or other securities that may be granted pursuant to Awards; (ii) the number and kind of shares or other securities subject to outstanding Awards; (iii) the Exercise Price applicable to outstanding Options; (iv) the number of outstanding Share Units held by the Participants; (v) the vesting of PSUs; and/or (vi) other value determinations (including performance criteria) applicable to the Plan or outstanding Awards; provided, however, that no adjustment will obligate the Corporation to issue or sell fractional securities. Any such adjustments shall be made in good-faith compliance with paragraph 7(1.4)(c) of the Income Tax Act (Canada), to the extent applicable. For the avoidance of doubt, the purchase of Common Shares or other equity securities of the Corporation by a shareholder of the Corporation or by any third party from the Corporation shall not constitute a corporate

event or transaction giving rise to an adjustment pursuant to this Section 11.1. Notwithstanding the foregoing, any adjustment, other than in connection with a security consolidation or security split, to outstanding Awards granted pursuant to the Plan are subject to the prior acceptance of the Exchange, including any adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization of the Corporation.

11.2 Change of Control

(a) Change of Control and Termination of Employment or Engagement

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee or a Director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause or ceases to be a Director (for any reason other than for Cause) and, in each case, his or her Termination Date is within twelve (12) months following the Change of Control, all unvested Options held by the Participant on the Participant's Termination Date shall immediately vest. The Participant may, within 12 month after the Participant's Termination Date, or such shorter period as is remaining in the term of the Options, exercise the Participant's vested Options in accordance with Section 5.5. At the end of such 12-month period or such shorter period as is remaining in the term of the Options, the unexercised Options shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee or a Director (in each case, other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause or ceases to be a Director (for any reason other than for Cause) and, in each case, his or her Termination Date is within twelve (12) months following the Change of Control, all RSUs and DSUs (and related Dividend Equivalents, if applicable) held by the Participant on the Termination Date shall immediately vest on the Termination Date. The Participant may, within 12 months after the Participant's Termination Date, or such shorter period as is remaining in the term of the applicable Share Units, elect to settle the Participant's vested Share Units in accordance with Sections 6.4 or 7.4, as applicable. At the end of such 12-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

Subject to Section 11.3 and the terms and conditions of any Award Agreement and notwithstanding anything in Article 10 to the contrary, if there is a Change of Control and a Participant who is an Employee (other than an Investor Relations Service Provider) ceases employment as a result of a termination by the Corporation or a Subsidiary without Cause and his or her Termination Date is within twelve (12) months following the Change of Control, a certain number of PSUs (and related Dividend Equivalents, if applicable) will vest based on performance achieved up to the Termination Date as determined by the Committee in its discretion. All unvested PSUs (and related Dividend Equivalents, if applicable) shall automatically terminate on the Termination Date and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise. The Participant may, within 12 months days after the Participant's Termination Date, or such shorter period as is remaining in the term of the applicable Share Units, elect to settle the Participant's vested Share Units in accordance with Section 8.4. At the end of such 12-month period or such shorter period as is remaining in the term of the Share Units, any outstanding Share Units shall automatically terminate and be of no further force or effect, and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise, including on account of severance, payment in lieu of notice or damages for wrongful dismissal.

The provisions of this Plan may take away or limit a Participant's common or civil law rights, as applicable, to the Participant's Awards and any common or civil law rights, as applicable, to damages as compensation for the loss, or continued vesting, of the Participant's Awards during any reasonable notice period.

(b) Discretion to Board and Committee

Subject to the rules of the Exchange Policies, in the event of an actual or potential Change of Control, the Committee may, in its discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional settlement or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or settle any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that the surviving, successor or acquiring entity may assume any outstanding Awards or substitute similar awards for the outstanding Awards, as applicable; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or settled prior to the successful completion of such Change of Control, provided that, any accelerated vesting in respect of any PSUs (and related Dividend Equivalents, if applicable) will be based on performance achieved up to the Change of Control as determined by the Committee in its discretion.

In the event that any Awards are conditionally exercised or settled pursuant to this Section 11.2 and the Change of Control does not occur, the Committee, may, in its discretion, determine that any (i) Awards so exercised or settled shall be reinstated as the type of Award prior to such exercise or settlement, and (ii) Common Shares issued be cancelled, any cash payments made to the Participants be returned to the Corporation, and any Exercise Price or similar price received by the Corporation shall be returned to the Participant.

(c) Agreement with Purchaser in a Change of Control

In connection with a Change of Control, the Committee may be permitted to condition any acceleration of vesting on the Participant entering into an employment, service, confidentiality, restrictive covenant or other agreement with the purchaser as the Committee deems appropriate.

11.3 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 11, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Common Shares that may be acquired as a result of a grant of Awards or other entitlements of the Participants under such Awards.

11.4 Fractions

No fractional Common Shares will be issued pursuant to an Award. Accordingly, whether as a result of any adjustment under this Article 11, a Dividend Equivalent or otherwise, a Participant would become entitled to a fractional Common Share, the Participant has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares, which shall be disregarded.

ARTICLE 12 - AMENDMENT OR DISCONTINUANCE OF PLAN

12.1 Shareholder Approval

This Plan is subject to the approval the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of holders of Common Shares (including approval of the disinterested

holders of Common Shares if required by Exchange Policies) and the approval of the Exchange and shall not be effective until such approvals are obtained, being the Effective Date. Awards cannot be granted under this Plan prior to receipt of all necessary approvals.

12.2 Amendment, Suspension, or Termination of the Plan

The Committee may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion, determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any outstanding rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Committee determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or the rules of the Exchange.

Notwithstanding the foregoing and subject to any rules of the Exchange or/and any applicable regulatory authority, approval of the holders of a majority of the Common Shares present and voting in person or by proxy at a meeting of holders of Common Shares (including approval of the disinterested holders of Common Shares if required by Exchange Policies) must be obtained for any amendment that would have the effect of, among others:

- (a) increasing the percentage of Common Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Committee to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increasing or removing the percentage limits on Common Shares issuable or issued to any Person or category of Persons (i.e., Insiders) as set forth in Section 4.2;
- (c) reducing the Exercise Price of an Option (for this purpose, a cancellation or termination of an Option of a Participant prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower Exercise Price shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions in the Plan which permit the Committee to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) amending an Award that results in a benefit to an Insider, in which case disinterested shareholder approval is required (including amending an Award to reduce the Exercise Price of an Option or extending the term of an Award);
- (e) amending any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to a Participant, including but not limiting to the formula for determining the Exercise Price of Options;
- (f) extending the term of an Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a Blackout Period applicable to the Participant);
- (g) permitting an Option to be exercisable beyond ten (10) years from its date of grant (except where an Expiry Date would have fallen within a Blackout Period);
- (h) increasing or removing the limits on the participation of Directors;
- (i) amending the amendment provisions in Sections 12.2 and 12.3;
- (j) amending the termination or early termination provisions of this Plan or any Award;

- (k) changing the eligible participants of the Plan; or
- (l) amendments required to be approved by shareholders under applicable law (including the rules, regulations and policies of the Exchange).

12.3 Permitted Amendments

Without limiting the generality of Section 12.2, the Committee may, without approval of the holders of a majority of the Common Shares, at any time or from time to time, amend the Plan or Award Agreements for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendment necessary to suspend or terminate the Plan;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) amendments necessary for Awards to qualify for favourable or intended tax treatment under applicable tax law;
- (e) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Committee, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Committee shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or
- (f) making such amendments of a “housekeeping” or administrative nature and such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 13 – MISCELLANEOUS

13.1 Legal Requirement

The Corporation’s obligation to issue and deliver Common Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Common Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed. The Corporation may endorse such legend or legends upon the certificates for, or other evidence of, Common Shares issued upon the exercise or settlement of an Award and may issue such “stop transfer” instructions to its transfer agent in respect of such Common Shares as, in its absolute discretion, it determines to be necessary or appropriate. Awards

may not be granted with a date of grant or effective date earlier than the date on which all actions required to grant the Awards have been completed. The inability or impracticability of the Corporation to obtain or maintain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation's counsel to be necessary to the lawful issuance and sale of any Common Shares hereunder shall relieve the Corporation of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority shall not have been obtained.

13.2 No Liability

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Common Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

13.3 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

13.4 Rights of Participant

No Participant shall be induced to acquire, exercise or settle an Award by expectation of employment, engagement or other service or continued employment, engagement or other service. Nothing in this Plan may be construed to provide any Participant with any rights whatsoever to compensation or damages in lieu of notice or continued participation in, or entitlements under, the Plan as a consequence of a Participant's termination of employment, engagement or other service (regardless of the reason for the termination and the party causing the termination, including a termination without Cause). The Plan does not give any Participant any right to claim any benefit or compensation except to the extent specifically provided in the Plan. Awards shall not be considered Common Shares nor shall they entitle a Participant to any interest in or title to any Common Shares or to exercise voting rights or any other rights attaching to the Common Shares.

13.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment or service agreement (or other written agreement) with the Corporation or a Subsidiary, as the case may be, on the other hand, the provisions of the employment or service agreement (or other written agreement) shall prevail.

13.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

13.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such Persons (including Persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

13.8 Unfunded Plan

This Plan shall be unfunded and the Corporation will not secure its obligations hereunder. To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the Corporation.

13.9 International Participants

With respect to Participants who reside or work outside Canada, the Committee may, in its discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards (including Award Agreements) with respect to such Participants in order to conform such terms with the provisions of local law, customs and tax practices, and the Committee may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

13.10 No Limit on Other Security-Based Compensations Arrangements

Nothing contained in this Plan shall prevent the Corporation from adopting or continuing in effect other security-based compensation arrangements subject to any required regulatory or shareholder approval, and such arrangements may be either generally applicable or applicable only in specific cases.

13.11 Other Employee Benefits

The amount of any compensation received or deemed to be received by a Participant as a result of the Participant's participation in the Plan will not constitute compensation, earnings or wages with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance, termination, severance or salary continuation plan or any other employee benefit plans, nor under any applicable employment standards or other legislation, except as otherwise specifically determined by the Committee.

13.12 No Representations or Warranties

The Corporation makes no representation or warranty as to the value of any Award granted pursuant to this Plan or as to the future value of any Common Shares issued pursuant to any Award.

13.13 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its Subsidiaries or any receiver or trustee in bankruptcy or representative of the creditors of the Corporation or a Participant.

13.14 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.15 Notices

All notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Alvopetro Energy Ltd.
1920, 215 – 9th Avenue SW
Calgary, AB T2P 1K3
Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth business day following the date of mailing; provided that in the event of any actual or imminent postal disruption, notices shall be delivered to the appropriate party and not sent by mail. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

13.16 Governing Law.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the internal laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

13.17 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Common Shares made in accordance with the Plan.

SCHEDULE “C” – DESCRIPTION OF THE OPTION PLAN

General

The purpose of the Option Plan was to provide the directors, officers, employees and consultants of the Corporation (the “Participants”) with an opportunity to purchase Shares and to benefit from the appreciation thereof. This provided an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Shares for the benefit of all the Shareholders and increasing the ability of the Corporation to attract and retain individuals of exceptional skill.

The Option Plan is administered by the Board, but the Board may delegate administration to a committee of the Board consisting of not less than three (3) directors. The Board may, from time to time, adopt such rules and regulations for administering the Option Plan as it may deem proper and in the best interests of the Corporation.

Upon approval of the Omnibus Incentive Plan in June 2022, no further grants were made under the Option Plan.

Option Grants and Exercise Price

Under the Option Plan, the Board was able to grant Options to such Participants as it chose and, subject to the restrictions described below, in such numbers as it chose.

The exercise price of each Option was fixed by the Board when the Option was granted, provided that such price was not be less than the volume weighted average trading price per share for the Shares on the TSXV for the five (5) consecutive trading days ending on the last trading day preceding the date that the Option was granted.

Options granted to Participants are non-assignable.

Limits on Option Grants

The aggregate number of Shares that were reserved for issuance at any time under the Option Plan, together with any Shares reserved for issuance under any other share compensation arrangement implemented by the Corporation after the date of the adoption of the Option Plan, was equal to 10% of outstanding Shares (on a non-diluted basis) outstanding at that time. In addition, any grant of Options under the Option Plan was subject to the following restrictions:

- (f) the aggregate number of Shares reserved for issuance pursuant to Options granted to any one person, when combined with any other share compensation arrangement, may not exceed 5% of the outstanding Shares (on a non-diluted basis);
- (g) the aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders (as defined in TSXV policies) pursuant to the Option Plan, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis);
- (h) the aggregate number of Shares issued within any one-year period to Insiders pursuant to Options, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis);
- (i) the aggregate number of Shares reserved for issuance pursuant to Options granted to any one person who is a Consultant (as defined in TSXV policies) in any twelve (12) month period, may not exceed 2% of the issued and outstanding Shares (on a non-diluted basis); and
- (j) the aggregate number of Shares reserved for issuance pursuant to Options granted to individuals conducting Investor Relations Activities (as defined in TSXV policies) in any twelve (12) month period, may not exceed 2% of the issued and outstanding Shares (on a non-diluted basis).

Expiry

The expiry date of Options granted pursuant to the Option Plan was set by the Board, and must not be later than ten (10) years from the date of grant. Typically, Options granted expire after five (5) years. In the event that any Option expires during, or within two (2) business days after, a self-imposed blackout period on trading securities of the Corporation, such expiry date will be deemed to be extended to the tenth (10th) business day following the end of the blackout period.

In the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation for any reason other than death (including the resignation or retirement of the Participant as a director, officer or employee of the Corporation or the termination by the Corporation of the employment of the Participant or the termination by the Corporation or the Participant of the consulting arrangement with the Participant), all unvested Options held by such Participant shall immediately cease and terminate and be of no further force or effect and all vested Options held by such Participant shall cease and terminate and be of no further force or effect on the earlier of the expiry time of the Option and the thirtieth (30th) day following: (i) the effective date of such resignation or retirement; (ii) the date the notice of termination of employment is given by the Corporation; or (iii) the date the notice of termination of the consulting agreement is given by the Corporation to the Participant, as the case may be. Notwithstanding the foregoing, in the event of termination for cause, such Option shall cease and terminate immediately upon the date notice of termination of employment for cause is given by the Corporation and shall be of no further force or effect whatsoever as to the Shares in respect of which an Option has not previously been exercised.

If a Participant dies, the legal representatives of the Participant may exercise the vested Options held by the Participant within a period after the date of the Participant's death as determined by the Board, provided that such period shall not extend beyond six (6) months following the death of the Participant or exceed the expiry date of such Option.

Vesting

The vesting period or periods of Options granted under the Option Plan was determined by the Board at the time of grant. The Board may, in its sole discretion at any time, accelerate vesting of Options previously granted. In the event a change of control of the Corporation, as defined in the Option Plan, is contemplated or has occurred, all Options which have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board.

Exercise

Participants may exercise vested Options by providing a notice in writing signed by the Participant to the Corporation together with payment in full of the exercise price for the Shares which are the subject of the exercise. The Corporation will not provide Participants with financial assistance for the exercise of Options.

A Participant may offer to dispose of vested Options to the Corporation for cash in an amount not to exceed the fair market value thereof as determined by the Board and the Corporation has the right, but not the obligation to accept the Participant's offer.

A Participant may elect a net share exercise of Options, pursuant to which the Corporation shall satisfy any obligations to the Participant in respect of any Options exercised by the Participant by issuing such number of Shares to the Participant that is equal in value to the difference between the closing trading price of the Shares on the day prior to the date on which the Option is exercised and the exercise price. The Corporation has the right, but not the obligation to accept the Participant's election of the net share exercise.

Amendments to the Option Plan

The Board may amend the Option Plan and any Options granted thereunder in any manner, or discontinue it at any time, without the approval of the holders of a majority of the Shares, provided that:

- (a) the consent of the applicable Participants must be obtained for any amendment that would adversely affect any outstanding Options;

- (b) the approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of Shareholders (including approval of the disinterested holders of Shares if required by exchange policies) must be obtained for any amendment that would have the effect of:
- i) increasing the maximum percentage of Shares that may be reserved for issuance under the Option Plan;
 - ii) increasing the maximum percentage of Shares that may be reserved for issuance under the Option Plan to Insiders or any one person;
 - iii) increasing the maximum percentage of Shares that may be issued under the Option Plan within any one year period to Insiders, Consultants or individuals conducting Investor Relations activities;
 - iv) changing the amendment provisions of the Option Plan;
 - v) changing the terms of any Options held by Insiders;
 - vi) reducing the exercise price of any outstanding Options held by Insiders (including the reissue of an Option within 90 days of cancellation which constitutes a reduction in the exercise price);
 - vii) amending the definition of Participants to expand the categories of individuals eligible for participation in the Option Plan;
 - viii) extending the expiry date of an outstanding Option or amending the Option Plan to allow for the grant of an Option with an expiry date of more than ten years from the grant date; or
 - ix) amending the Option Plan to permit the transferability of Options, except to permit a transfer to a family member, an entity controlled by the Participant or a family member, a charity or for estate planning or estate settlement purposes.

Adjustments

The Option Plan provides that appropriate adjustments in the number of Shares subject to the Option Plan, the number of Shares optioned and the exercise price shall be made by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation.

If a Participant elects to exercise an Option following the merger or consolidation of the Corporation with any other corporation, whether by amalgamation, plan of arrangement or otherwise, the Participant shall be entitled to receive, and shall accept, in lieu of the number of Shares to which the Participant was theretofore entitled upon such exercise, either, at the discretion of the Board the kind and amount of shares and other securities or property which such Participant could have been entitled to receive as a result of such merger or consolidation if, on the effective date thereof, the Participant had been the registered holder of the number of Shares to which the Participant was theretofore entitled to purchase upon exercise.

SCHEDULE “D” – DESCRIPTION OF THE INCENTIVE SHARE PLAN

General

The purpose of the Incentive Share Plan was to provide directors, officers and employees of, and consultants to, the Corporation with incentive compensation in the form of Shares issuable after defined vesting periods. This provided an increased incentive for the Participants to contribute to the future success of the Corporation, enhancing the value of the Shares for the benefit of all shareholders and increasing the ability of the Corporation to attract and retain individuals of exceptional skill.

Upon approval of the Omnibus Incentive Plan in June 2022, no further grants were made under the Incentive Share Plan.

Limitations under the Incentive Share Plan

The Incentive Share Plan provided that the maximum number of Shares reserved for issuance under the Incentive Share Plan was not to exceed 566,666 Shares. In addition, the maximum number of Shares reserved for issuance pursuant to both Incentives issuable under the Incentive Share Plan and options issued under the Option Plan at any time was not to exceed 10% of the issued and outstanding Shares at any such time. Incentives under the Incentive Share Plan consist of RSUs, DSUs, and PSUs, all as more particularly described herein.

In addition: i) the aggregate number of Shares reserved for issuance pursuant to Incentives granted to any one person, when combined with any other share compensation arrangement, may not exceed 5% of the outstanding Shares (on a non-diluted basis); ii) the aggregate number of Shares reserved for issuance pursuant to Incentives granted to Insiders, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis); iii) the aggregate number of Shares issued within any one year period to Insiders pursuant to Incentives, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis); iv) the number of Incentives issuable under the Incentive Share Plan within any one year period to any one individual may not exceed 1% of the outstanding Shares (on a non-diluted basis); and v) the number of Incentives issuable under the Incentive Share Plan within any one year period to Insiders, may not exceed 2% of the outstanding Shares (on a non-diluted basis).

Description of RSUs, PSUs and DSUs issuable under the Incentive Share Plan

RSUs are expected to typically vest as to one third on each of the first, second and third anniversaries of the date of grant. Upon vesting and exercise, each RSU can be redeemed by the holder, without the payment of any additional consideration, in exchange for: (i) one Share; or ii) at the sole election of the Corporation, a cash payment equal to the five (5) day volume weighted average trading price of the Shares on the TSXV prior to the date of exercise.

PSUs are expected to typically cliff vest after three years with a payout percentage between 0% and 250% calculated at the time of the vesting of a PSU based on performance criteria established by the Board in its discretion at the time of the grant. Upon vesting and exercise, each PSU can be redeemed by the holder, without the payment of any additional consideration, in exchange for: (i) a number of Shares equal to each Share multiplied by the payout percentage; or ii) at the sole election of the Corporation, a cash payment equal to the five (5) day volume weighted average trading price of the Shares, multiplied by the applicable payout percentage, on the TSXV prior to the date of exercise.

DSUs are the only type of incentive issuable under the Incentive Share Plan that may be issued to non-employee directors of the Corporation. DSUs granted are expected to typically vest on either the third anniversary of the grant date or one-third on each of the first, second and third anniversaries of the date of the grant or on the date that the non-employee director ceases to be a director of the Corporation for any reason, including change of control, resignation, retirement, death or failure to obtain re-election as a director under the Incentive Share Plan. Upon vesting and exercise, each DSU can be redeemed by the holder, without the payment of any additional consideration, in exchange for: (i) one Share; or ii) at the sole election of the Corporation, a cash payment equal to the five (5) day volume weighted average trading price of the Shares on the TSXV prior to the date of exercise.

Cash Settlement

The Corporation has the discretion to satisfy its obligation to issue a Share upon the vesting and redemption of Incentives by paying the cash value of such Share based on the five-day volume weighted average trading price of the Shares on the TSXV prior to date of exercise. To the extent that the Corporation elects to satisfy its obligation to issue a Share upon the vesting and redemption of a DSU, RSU or PSU by paying cash instead, there will be no reduction in the number of Shares remaining available for issuance pursuant to the Incentive Share Plan.

Acceleration of Vesting and Change of Control Provisions

The Board may, in its sole discretion at any time, accelerate vesting of Incentives previously granted. In the event a change of control of the Corporation, as defined in the Incentive Share Plan, is contemplated or has occurred, all Incentives which have not otherwise vested in accordance with their terms shall vest upon the occurrence of the change of control or such earlier or later time as is determined by the Board.

Termination and Assignment

In the event of the resignation, retirement or death of a Participant, or the termination of the employment of a Participant, whether with or without cause or reasonable notice, all unvested RSUs and PSUs held by the Participant shall immediately cease and terminate and thereafter shall be of no further force or effect whatsoever. Incentives granted to Participants are non-assignable.

