



NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

OF

SATURN OIL & GAS INC.

to be held on

September 15, 2022

at 10:00 a.m. (Calgary time)

**at Dentons Canada LLP
10th Floor, Bankers Court
850 – 2nd Street S.W.
Calgary, Alberta T2P 0R8**

This Management Information Circular and Proxy Statement is furnished in connection with the solicitation of proxies by the management of Saturn Oil & Gas Inc. to be voted at the Annual General and Special Meeting to be held on September 15, 2022 at the time and place and for the purposes set out in the accompanying Notice of Annual General and Special Meeting and at any adjournments thereof.

SATURN OIL & GAS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT an annual general and special meeting (the “**Meeting**”) of the shareholders of Saturn Oil & Gas Inc. (the “**Corporation**”) will be held at 10:00 a.m. (Calgary time) on Thursday, September 15, 2022 at the offices of Dentons Canada LLP, 10th Floor, Bankers Court, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8 for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2021 and the report of the auditor thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at six (6);
3. to elect the board of directors of the Corporation to serve until the next annual meeting of the shareholders or until their successors are duly elected or appointed;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditor;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying Management Information Circular, relating to the approval of the rolling stock option plan of the Corporation;
6. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying Management Information Circular, relating to the approval of the restricted share unit and deferred share unit plan (the “**RSU/DSU Plan**”) of the Corporation;
7. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders, as more particularly set forth in the accompanying Management Information Circular, relating to the approval of the grant of 54,000 restricted share units of the Corporation under the RSU/DSU Plan; and
8. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Information Circular.

Only shareholders of record as at the close of business on August 9, 2022 are entitled to receive notice of the Meeting.

At the date of this Notice and the accompanying Management Information Circular, it is the intention of management of the Corporation to hold the Meeting at the location stated above in this Notice. A shareholder may attend the Meeting in person or may be represented by proxy. We are continuously monitoring further developments in the COVID-19 pandemic. In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and not to attend the Meeting in person. Shareholders who do wish to attend the Meeting in person are asked to follow the instructions of public health and governmental authorities.

DATED at Calgary, Alberta as of the 15th day of August, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*John Jeffrey*"

John Jeffrey

President, Chief Executive Officer and Director

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be effective, an instrument of proxy must be delivered to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department), by fax within North America at +1 (866) 249-7775 or by fax outside North America at (416) 263-9524 so that they are received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or an adjournment or postponement thereof.

SATURN OIL & GAS INC.

MANAGEMENT INFORMATION CIRCULAR

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This management information circular and proxy statement ("**Management Information Circular**") is furnished in connection with the solicitation of proxies by the management of Saturn Oil & Gas Inc. (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held at 10:00 a.m. (Calgary time) on Thursday, September 15, 2022, for the purposes set forth in the Notice of Annual General and Special Meeting (the "**Notice**") accompanying this Management Information Circular. Proxies may be solicited by mail, telephone, email, facsimile or other electronic means. Proxies may be solicited personally by directors or officers of the Corporation. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of solicitation of proxies will be paid by the Corporation.

Unless otherwise stated, information contained herein is given as of August 15, 2022 (the "**Effective Date**").

Appointment of Proxyholders

Accompanying this Management Information Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. All properly executed instruments of proxy must be delivered to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 (Attention: Proxy Department), by fax within North America at +1 (866) 249-7775 or by fax outside North America at (416) 263-9524 so that they are received no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or an adjournment or postponement thereof.

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the management designees to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should strike out the names of those persons named in the accompanying form of proxy and insert the desired person's name in the blank space provided in the form of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or an adjournment thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting or an adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted FOR the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Management Information Circular, none of the directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of auditor.

QUORUM

The Bylaws of the Corporation provide that a quorum for the transaction of business at any meeting of Shareholders is shareholders, represented in person or by proxy, who hold at least 5% of the issued shares entitled to be voted at the meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is August 9, 2022 (the “**Record Date**”). Shareholders are entitled to one vote per Common Share. As at the Record Date, there are 59,689,087 Common Shares issued and outstanding.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation’s register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting; provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the list of Shareholders eligible to vote at the Meeting, the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Beneficial Shareholders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a “**Beneficial Shareholder**”) are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Shareholder deals with in respect of the Common Shares (Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited).

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice, this Management Information Circular and the instrument of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions Inc. (“**Broadridge**”)) to forward the Meeting Materials to Beneficial Shareholders.

Generally, Beneficial Shareholders who have not waived the right to receive the Meeting Materials will have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Beneficial Shareholder in accordance with the directions on the voting instruction form.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial

Shareholder should strike out the names of the persons named in the proxy and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Only registered Shareholders have the right to revoke a proxy. Beneficial Shareholders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set forth above.

Principal Shareholders

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

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice.

1. Financial Statements

The audited financial statements of the Corporation for the financial years ended December 31, 2021 and the report of the auditor thereon (the "**Financial Statements**") will be placed before the Meeting. The Board has approved all of the information in the Financial Statements. The approval of the Shareholders is not required in relation to the Financial Statements.

2. Fix Number of Directors to be Elected at the Meeting

Shareholders will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).**

3. Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's province and country of residence, principal occupation at present and during the preceding five (5) years, the period during which the nominee has served as a director, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date. **Unless otherwise directed, it is the intention**

of the management designees, if named as proxy, to vote for the election of the persons named in the following table to the Board.

Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by management designees will be voted for another nominee in their discretion unless the Shareholder has specified in their form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Saskatchewan) (the "SBCA"), to which the Corporation is subject.

Name and Municipality of Residence	Position(s) Held	Director Since	Principal Occupation at Present and during the Last Five Years	Common Share Ownership
John Jeffrey ⁽²⁾⁽⁴⁾ Calgary, Alberta	Chief Executive Officer and Director	March 7, 2017	Chief Executive Officer of the Corporation since March, 2017. Prior to this role, Mr. Jeffrey was the area finance manager for a Fortune 500 engineering consulting firm in Canada. Mr. Jeffrey has a strong background in operations and finance. Mr. Jeffrey was also a founder and CFO of Axiom Group, a geological and engineering consulting corporation.	326,390
Ivan Bergerman ⁽¹⁾⁽²⁾⁽³⁾ Saskatoon, Saskatchewan	Director	August 15, 2017	Mr. Bergerman is a graduate from the University of Saskatchewan, College of Law. Mr. Bergerman has practiced as a lawyer since 2002 practicing primarily general Corporate Commercial, Securities, M&A and Oil & Gas Law He founded Bergerman Smith LLP in 2010.	27,098
Murray (Jim) Payne ⁽¹⁾⁽³⁾ Caledon, Ontario	Director	March 11, 2020	Mr. Payne is currently CEO of dynaCERT Inc., a Canadian corporation that specializes in delivering carbon emission reduction technologies to the global marketplace. He brings more than 38 years of experience in strategic leadership roles within both public and private companies, corporate governance, finance and accounting, capital markets, executive leadership and business performance improvements. Mr. Payne also serves as CEO of a privately-held consulting, project management and real estate development corporation operating in the Greater Toronto Area. Mr. Payne graduated from St. Clair College in Construction Engineering, Project Management and Estimating.	26,250

Name and Municipality of Residence	Position(s) Held	Director Since	Principal Occupation at Present and during the Last Five Years	Common Share Ownership
Christopher Ryan ⁽²⁾⁽⁴⁾ Calgary Alberta	Director	June 5, 2018	Mr. Ryan is the CEO of Broadbill Energy Inc., an oil and gas technology infrastructure company. Prior to that, he was the Director of Midstream and Director of Operation Services for Kingston Midstream (formally Tundra Energy Marketing Ltd.) and Exploitation Engineer with Tundra Oil and Gas. He has published 25 scientific publications, many of which were published during his time as a Research Scientist at the Canadian Light Source Inc. Chris currently sits on the Board for the Canadian Crude Quality Technical Association (CCQTA) as the Director of Midstream, and he is the Co-Chair of the Sampling and Frequency Working Group for the Crude Oil Quality Association (COQA). Mr. Ryan is also an honorary founding member of the Global Institute of Water Security and is on various Canadian Association of Petroleum Producers (CAPP) Committees, specifically the CAPP Equalization Steering Committee and is a voted Working Group member of the Canadian Transportation of Dangerous Goods General Policy Advisory Council for Classification.	604,166 ⁽⁵⁾
Grant MacKenzie Calgary, Alberta	Director Nominee	Director Nominee	Mr. MacKenzie is a partner and the Corporate co-lead of the Calgary office of Dentons Canada LLP since 2018. Prior thereto Mr. MacKenzie was a partner in the securities group of Burnet Duckworth & Palmer LLP from 2010-2018. Mr. MacKenzie has extensive experience dealing with public issuers, including with respect to capital markets, mergers and acquisitions, public offerings and stock exchange compliance advice and has been the corporate secretary of numerous TSX and TSXV issuers.	28,500
Thomas Gutschlag Mannheim, Germany	Director Nominee	Director Nominee	Thomas Gutschlag is currently the Chairman of Deutsche Rohstoff AG (DRAG), a public company listed on the Frankfurt Stock Exchange which identifies, develops and divests attractive resource projects in North America, Australia and Europe, with a focus on the development of	Nil

Name and Municipality of Residence	Position(s) Held	Director Since	Principal Occupation at Present and during the Last Five Years	Common Share Ownership
			<p>oil and gas opportunities within the United States, as well as metals such as gold, copper and tungsten. Thomas Gutschlag cofounded DRAG in 2006 and was its Chief Financial from 2007 to 2015 and its Chief Executive Officer from 2015 to 2022.</p> <p>Thomas Gutschlag is a qualified economist with a degree in economics from the University of Heidelberg and a doctorate from the University of Mannheim.</p>	

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Health, Safety and Environment Committee.
- (5) The 604,166 Common Shares are held by Broadbill Energy Inc., of which Mr. Ryan is the CEO.

Cease Trade Orders or Bankruptcies

To the knowledge of management of the Corporation, no proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in such 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.

Personal Bankruptcies

To the knowledge of management of the Corporation, no proposed director has, within 10 years before the date of this Management 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 such person.

Penalties and Sanctions

To the knowledge of management, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

Shareholders will be asked to vote for the appointment of KPMG LLP, Chartered Accountants (“**KPMG LLP**”) as auditor of the Corporation. KPMG LLP has served as auditor to the Corporation since September 9, 2021. **Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution appointing KPMG LLP as auditor of the Corporation for the next ensuing year**, to hold office until the close of the next annual general meeting of Shareholders or until KPMG LLP is removed from office or resigns as provided by the Corporation’s by-laws, and the management designees also intend to vote the Common Shares represented by any such proxy in favor of a resolution authorizing the Board to fix the compensation of the auditor.

5. Approval of Stock Option Plan

Following a review by the Board of the Corporation’s existing fixed stock option plan (the “**Prior Stock Option Plan**”), the Board concluded that it was advisable to replace the Prior Stock Option Plan with a new 10% “rolling” stock option plan (the “**Option Plan**”). The Board approved the Option Plan on August 15, 2022, however, adoption of the Option Plan remains subject to approval of the Shareholders and the TSXV.

The Option Plan is a “rolling” stock option plan that sets the maximum number of Common Shares reserved for issuance pursuant to the exercise of options (“**Options**”) granted thereunder, together with the number of Common Shares reserved for issuance pursuant to any other security based compensation arrangement of the Corporation, at 10% of the number of Common Shares issued and outstanding on a non-diluted basis at the time of any grant. As of the date of this Management Information Circular, there are 1,982,500 Options outstanding under the Prior Stock Option Plan.

Subject to approval of the Option Plan by the Shareholders and the TSXV, the Prior Stock Option Plan will be terminated and the Options currently outstanding will be governed by the Option Plan.

Refer to the disclosure under the heading “*Stock Option Plans and Other Incentive Plans – Option Plan*” for a more detailed summary of the Option Plan. The summary provided is qualified in its entirety by reference to the full text of the Option Plan which is attached as Schedule “B” to this Management Information Circular. The Option Plan remains subject to the policies of the TSXV and receiving the requisite Shareholder approval.

Pursuant to the policies of the TSXV, the Corporation is required to obtain Shareholder approval of the Option Plan in connection with the implementation thereof and subsequently at each annual meeting of Shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve an ordinary resolution to approve the Option Plan.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

- (d) the stock option plan of the Corporation (the "**Option Plan**"), substantially in the form attached as Schedule "B" to the Management Information Circular of the Corporation, be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;
- (e) the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
- (f) all issued and outstanding stock options previously granted are hereby continued under and governed by the Option Plan;
- (g) the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (h) any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution approving the Option Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by Shareholders who vote in respect to the resolution.

6. Approval of RSU/DSU Plan

The Corporation is proposing to approve a restricted share unit and deferred share unit compensation plan (the "**RSU/DSU Plan**") of the Corporation. A copy of the RSU/DSU Plan is attached as Schedule "B" to this Management Information Circular.

On February 1, 2022, the Board approved the adoption of a restricted and deferred share unit plan (the "**RSU/DSU Plan**") attached hereto as Schedule "C". The implementation of the RSU/DSU Plan is intended to provide a vehicle by which equity-based incentives may be awarded to the Directors, Employees, Consultants and other persons or companies engaged to provide ongoing services to the Corporation and its Affiliates, other than persons involved in Investor Relations Activities relating to the Corporation (as such terms are defined in the RSU/DSU Plan) (collectively, the "**Eligible Persons**"), to recognize and reward their significant contributions to the long-term success of the Corporation and to align their interests more closely with Shareholders, as well as to bring the Corporation's compensation policies in line with trends in industry practice, and to preserve working capital of the Corporation by paying Eligible Persons with compensation in the form of share-based awards as opposed to cash. Pursuant to the RSU/DSU Plan, the Board (or a committee thereof) may grant restricted share unit awards ("**RSUs**") and deferred share unit awards ("**DSUs**" and collectively with the RSUs, "**Awards**") as incentive payments to eligible persons. The Board intends to use the Awards as part of the Corporation's overall executive compensation plan.

The maximum number of Awards that may be reserved for issuance under the RSU/DSU Plan is 5,968,908.

RSUs

RSUs will vest based on a schedule determined by the Board, which may be based on the passage of time, continued employment, satisfaction of performance criteria, or any combination of the foregoing, as determined by the Board, provided that the RSUs shall vest and be paid out no later than December 31 of the third calendar year in which the grantee rendered the services in which the grant is being made. Upon vesting, the RSUs will be settled upon or as soon as reasonably practicable following vesting. The Corporation may satisfy its payment obligations for any vested RSUs through the issuance of Common Shares, or, subject to approval of the Board in its sole discretion, a cash equivalent.

The expiry date of each RSU shall be determined by the Board at the time of grant. On the participant's termination date, any RSUs that haven't vested shall terminate and become null and void as of such date, with the exception of termination by reason of death, disability, retirement or termination without cause. If termination occurs as a result of death, disability, retirement or termination without cause, a pro rata number of any unvested RSUs, based on the portion of the applicable vesting period that has been completed as of the termination date, will vest on such date.

DSUs

DSUs will vest based on a schedule determined by the Board. The Corporation may satisfy its payment obligations for any vested DSUs through the issuance of Common Shares, or, subject to approval of the Board in its sole discretion, a cash equivalent.

The expiry date of each RSU shall be determined by the Board at the time of grant. On the participant's termination date, any DSUs that haven't vested shall terminate and become null and void as of such date, with the exception of termination by reason of death, disability, retirement or termination without cause.

Refer to the disclosure under the heading "*Stock Option Plans and Other Incentive Plans – RSU/DSU Plan*" for a more detailed summary of the RSU/DSU Plan. The summary provided is qualified in its entirety by reference to the full text of the RSU/DSU Plan which is attached as Schedule "B" to this Management Information Circular. The RSU/DSU Plan remains subject to the policies of the TSX Venture Exchange (the "**TSXV**") and receiving the requisite Shareholder approval.

Pursuant to the policies of the TSXV, the Corporation is required to obtain Shareholder approval of the RSU/DSU Plan in connection with the implementation thereof and subsequently at each annual meeting of Shareholders. Accordingly, at the Meeting, Shareholders will be asked to approve an ordinary resolution to approve the RSU/DSU Plan.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

"BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

- (a) the restricted share unit and deferred share unit plan of the Corporation (the "**RSU/DSU Plan**"), substantially in the form attached as Schedule "C" to the Management Information Circular of the Corporation, be and is hereby ratified, approved and adopted as the restricted share unit and deferred share unit plan of the Corporation;
- (b) the form of the RSU/DSU Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;

- (c) the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
- (d) any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the ordinary resolution approving the RSU/DSU Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by Shareholders who vote in respect to the resolution.

7. Approval of Prior RSU Grants

Subsequent to Board approval of the RSU/DSU Plan, the Corporation granted certain RSUs pursuant to the Corporation’s RSU/DSU Plan, as announced in the Corporation’s press release dated February 3, 2022. All of the RSUs and DSUs granted prior to shareholder approval of the RSU/DSU Plan are subject to disinterested Shareholder approval and approval of the TSXV.

The RSUs granted are the following:

Holder	Number of RSUs
John Jeffrey ⁽¹⁾	9,000
Ivan Bergerman ⁽¹⁾	9,000
Calvin Payne ⁽¹⁾	9,000
Murray (Jim) Payne ⁽¹⁾	9,000
Chris Ryan ⁽¹⁾	9,000
Grant MacKenzie ⁽¹⁾	9,000
Total	54,000

Note:

- (1) Subject to disinterested shareholder approval of the grant of the RSUs, shareholder approval of the RSU/DSU Plan and TSXV approval, the RSUs will vest as follows: (i) 1/3 upon the first anniversary of the date of grant; (ii) 1/3 upon the first anniversary of the date of grant; and (iii) 1/3 upon the upon the third anniversary of the date of grant.

Pursuant to TSXV policies, the RSUs granted must be approved by disinterested Shareholders of the Corporation prior to becoming effective. For the purposes of the TSXV policies, disinterested shareholder approval requires the approval of a majority of votes cast at a meeting of shareholders other than votes attaching to securities beneficially owned by persons that hold or will hold the RSUs. The below table lists the persons that are disinterested Shareholders for purposes of the RSU Grant Resolution (as defined below) and the respective number of Common Shares held by each such person.

Name	Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly
John Jeffrey	326,390
Ivan Bergerman	27,098
Calvin Payne	62,500
Murray (Jim) Payne	26,250
Chris Ryan	604,166 ⁽¹⁾
Grant MacKenzie	28,500

Note:

(1) The 604,166 Common Shares are held by Broadbill Energy Inc., of which Mr. Ryan is the CEO.

Subject to the approval of the RSU/DSU Plan Resolution, at the Meeting, disinterested Shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution (the “**RSU Grant Resolution**”) in the following form:

“BE IT RESOLVED THAT:

1. the grant of certain restricted share units, being exercisable into an aggregate of up to 54,000 common shares pursuant to the restricted share unit and deferred share unit plan of the Corporation is hereby ratified, confirmed and approved;
2. Any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution; and
3. all actions previously taken by any officer or director of the Corporation in connection with the foregoing resolutions are hereby ratified, confirmed and approved in all respects.”

In order to be passed, the foregoing resolution must be approved by the affirmative vote of a simple majority of the votes cast by disinterested Shareholders who vote in person or by proxy at the Meeting. **The persons named in the accompanying Instrument of Proxy intend, unless otherwise directed, to vote in favour of the RSU Grant Resolution.**

Should the RSU Grant Resolution not receive the required disinterested Shareholder approval, the RSUs granted will be immediately cancelled.

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation is a “venture issuer” as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”). The Corporation and its predecessors has been a reporting issuer since 2003.

Named Executive Officers

For the purpose of this Statement of Executive Compensation, a named executive officer (“**NEO**”) of the Corporation means each of the following individuals:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Corporation during any part of the most recently completed financial year, including an individual performing functions similar to a CEO;
- (b) each individual who served as chief financial officer (“**CFO**”) of the Corporation during any part of the most recently completed financial year, including an individual performing functions similar to a CFO; and
- (c) each of the Corporation’s three (3) most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, including each individual who would be a NEO under this paragraph but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The NEOs of the Corporation for the financial year ended December 31, 2021 were John Jeffrey, President, CEO and Director, Scott Sanborn, CFO, and Justin Kaufmann, Senior VP, Exploration.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth information concerning the total compensation, excluding options and compensation securities, paid to each director and NEO by the Corporation for the financial year ended December 31, 2021 and for the financial year ended December 31, 2020 for services provided or to be provided, directly or indirectly, to the Corporation.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) ⁽¹⁾	Value of All Other Compensation (\$)	Total Compensation (\$)
John Jeffrey ⁽²⁾ President, CEO and Director	2021	286,154	200,000	Nil	Nil	Nil	498,316
	2020	217,099	Nil	Nil	Nil	Nil	217,099

Scott Sanborn ⁽³⁾	2021	116,667	Nil	Nil	Nil	9,546	126,213
CFO	2020	-	-	-	-	-	-
Justin Kaufmann	2021	172,550	120,000	Nil	Nil	Nil	303,736
Vice President, Exploration	2020	166,463	Nil	Nil	Nil	Nil	166,463
Geoff Jones ⁽⁴⁾	2021	-	-	-	-	-	-
Former CFO and Secretary	2020	100,250	Nil	Nil	Nil	Nil	100,250
Wendy Woolsey ⁽⁵⁾	2021	38,588	Nil	Nil	Nil	Nil	38,588
Former Interim CFO	2020	12,678	Nil	Nil	Nil	Nil	12,678
Calvin J. Payne	2021	Nil	Nil	Nil	Nil	Nil	Nil
Director (Chair)	2020	Nil	Nil	Nil	Nil	Nil	Nil
Ivan Bergerman	2021	Nil	Nil	Nil	Nil	Nil	Nil
Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Ryan	2021	Nil	Nil	Nil	Nil	Nil	Nil
Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
Murray (Jim) Payne	2021	Nil	Nil	Nil	Nil	Nil	Nil
Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
Glenn Hamilton ⁽⁶⁾	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) "Perquisites" include perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than: (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or less, (b) 10% of the NEO or director's salary for the financial year if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000 if the NEO or director's total salary for the financial year is \$500,000 or greater.
- (2) In 2020, Mr. Jeffrey was compensated in the amount of \$217,099 for his role as president and chief executive officer of the Corporation, and \$nil for his role as director. In 2021, Mr. Jeffrey was compensated in the amount of \$286,154 for his role as president and chief executive officer of the Corporation, and \$nil for his role as director
- (3) Mr. Sanborn was appointed as CFO effective June 1, 2021.
- (4) Mr. Jones resigned as CFO and Secretary of the Corporation on October 31, 2020.
- (5) Ms. Woolsey was appointed interim CFO on November 1, 2020 until the appointment of Scott Sanborn on June 1, 2021. Ms. Woolsey acted as the Corporation's CFO pursuant to a services agreement with Veracity Energy Services Ltd. ("**Veracity**"). The amounts shown in the table represent the fees paid to Veracity. The Corporation does not have information as to what portion of this amount was received by Ms. Woolsey.
- (6) Mr. Glenn Hamilton was appointed to the Board on September 21, 2021, and stepped down from the Board on April 29, 2022.
- (7) Board compensation has been set at \$60,000 per annum consisting of \$30,000 cash and \$30,000 in RSU grants.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation for the financial year ended December 31, 2021 for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class ⁽¹⁾	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
John Jeffrey ⁽²⁾ <i>President, CEO and Director</i>	Stock Options	142,500	August 3, 2021	2.40	2.40	3.94	August 3, 2026
Scott Sanborn ⁽³⁾ <i>CFO</i>	Stock Options	50,000	July 6, 2021	2.90	2.70	3.94	July 6, 2026
	Stock Options	50,000	August 3, 2021	2.40	2.40	3.94	August 3, 2026
Justin Kaufmann ⁽⁴⁾ <i>Vice President, Exploration</i>	Stock Options	50,000	August 3, 2021	2.40	2.40	3.94	August 3, 2026
Calvin Payne ⁽⁵⁾ <i>Director</i>	Stock Options	75,000	August 3, 2021	2.40	2.40	3.94	August 3, 2026
Ivan Bergerman ⁽⁶⁾ <i>Director</i>	Stock Options	75,000	August 3, 2021	2.40	2.40	3.94	August 3, 2026
Chris Ryan ⁽⁷⁾ <i>Director</i>	Stock Options	75,000	August 3, 2021	2.40	2.40	3.94	August 3, 2026
Jim Payne ⁽⁸⁾ <i>Director</i>	Stock Options	75,000	August 3, 2021	2.40	2.40	3.94	August 3, 2026

Notes:

- (1) Saturn completed a consolidation of its issued and outstanding Common Shares on a 20:1 basis, effective on October 13, 2021. The number of Options and the applicable exercise price are shown on a post-Consolidation basis.
- (2) As at December 31, 2021, Mr. Jeffrey held Options to purchase an aggregate of 502,500 Common Shares.
- (3) As at December 31, 2021, Mr. Sanborn held Options to purchase an aggregate of 100,000 Common Shares.
- (4) As at December 31, 2021, Mr. Kaufmann held Options to purchase an aggregate of 250,000 Common Shares.
- (5) As at December 31, 2021, Mr. Calvin Payne held Options to purchase an aggregate of 145,000 Common Shares.
- (6) As at December 31, 2021, Mr. Bergerman held Options to purchase an aggregate of 150,000 Common Shares.
- (7) As at December 31, 2021, Mr. Ryan held Options to purchase an aggregate of 130,000 Common Shares.
- (8) As at December 31, 2021, Mr. Murray (Jim) Payne held Options to purchase an aggregate of 100,000 Common Shares.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised any compensation securities during the financial year ended December 31, 2021.

Stock Option Plans and Other Incentive Plans

The Corporation has two incentive plans: the revised Option Plan, which was adopted by the Board on August 15, 2022 and an RSU/DSU Plan adopted by the Board on February 1, 2022. The Corporation is seeking Shareholder approval of the incentive plans. The following is a summary of the material terms of the Option Plan and the RSU/DSU Plan.

Option Plan

Following a review by the Board of the Corporation's fixed Prior Stock Option Plan, the Board concluded that it was advisable to replace the Prior Stock Option Plan, subject to approvals of Shareholders and the TSXV, with the Option Plan, which is a 10% "rolling" stock option plan.

The Option Plan permits the granting of non-transferable Options to purchase Common Shares to directors, officers, key employees and consultants ("**Optionees**") of the Corporation. The Option Plan is intended to afford persons who provide services to the Corporation an opportunity to obtain an increased proprietary interest in the Corporation by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Corporation. The Option Plan is administered by the Compensation Committee of the Board.

The Option Plan limits the number of Common Shares that may be issued on exercise of Options to a number not exceeding 10% of the number of Common Shares which are outstanding from time to time. Options that are cancelled, terminated or expired prior to exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Option Plan. As the Option Plan is a "rolling" plan, the issuance of additional Common Shares by the Corporation or the exercise of Options will also give rise to additional availability under the Option Plan.

The number of Common Shares issuable pursuant to Options granted under the Option Plan or any other security-based compensation arrangements of the Corporation: (i) to any one Optionee in a 12 month period, together with all additional securities granted to such Optionee pursuant to other security based compensation arrangements of the Corporation, may not exceed 5% of the outstanding Common Shares; (ii) to insiders (as a group) at any time, together with all additional securities granted to insiders pursuant to other security based compensation arrangements of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares; (iii) issued to insiders (as a group) within any 12 month period, together with all additional securities granted to insiders pursuant to other security based compensation arrangements of the Corporation, may not exceed 10% of the outstanding Common Shares; and (iv) to any one consultant, together with all additional securities granted to such consultant pursuant to other security based compensation arrangements of the Corporation, shall not exceed 2% of the outstanding Common Shares; and (v) to all Optionees employed to provide investor relations services to the Corporation shall not, in a 12 month period, exceed 2% of the outstanding Common Shares.

Options issued under the Option Plan may be exercisable for a period not exceeding ten years and vest as determined by the Board on the date of grant.

The Options issued pursuant to the Option Plan shall have an exercise price that is fixed by the Board at the time of grant, provided that the exercise price shall not be less than the discounted market price of the Common Shares, or such other price as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSXV or such other stock exchange as the Common Shares may be listed for trading.

To the extent permitted by and otherwise subject to the rules and policies of the TSXV, an Optionee may, in lieu of exercising an Option pursuant to an exercise notice, pay the exercise price for an Option through a cashless exercise process or net exercise process.

An Optionee may, conditional upon approval of the Board, exercise Options in whole or in part by electing, in lieu of making a cash payment of the applicable exercise price, to pay the exercise price pursuant to a cashless exercise whereby the Corporation has an arrangement with a specified brokerage firm and permits such brokerage firm to (i) loan money to the Optionee to purchase the Common Shares underlying the Options, (ii) sell a sufficient number of Common Shares to cover the aggregate exercise price of the Options in order to repay the loan, and, and (iii) receive an equivalent number of Common Shares from the exercise of the Options, with the Optionee receiving the balance of the Common Shares.

An Optionee may, conditional upon approval of the Board, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a "**Net Exercise**") in consideration for an amount from the Corporation equal to (i) the market price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares, (the "**In-the-Money Amount**") by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Net Exercise, and such other information that the Corporation may require. Subject to the provisions of the New Option Plan, the Corporation will satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having an aggregate fair market value (based on the market price on the date of exercise) equal to the In-the-Money Amount. Any Options surrendered in connection with a Net Exercise will not be added back to the number of Common Shares reserved for issuance under this Plan.

Upon the death of the Optionee, the Option shall vest immediately and shall be exercisable at any time up to but not after the earlier of (i) 365 days after the date of death; and (ii) the applicable expiry date of that Option.

If the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, the Corporation as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held such Optionee on the date of such termination, whether in respect of an Option that has vested or not, shall be cancelled as of that date.

If the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, the Corporation due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Corporation's retirement policy then in force, or due to his or her termination by the Corporation other than for cause, or due to his or her voluntary resignation, any vested Options then held by the Optionee shall be exercisable to Common Shares up to but not after the earlier of the applicable expiry date of the Option and the date which is 90 days (30 days if the Optionee was engaged in investor relations activities) after the Optionee ceases to be an a director, officer, in the employ of, or providing ongoing management or consulting services to the Corporation.

Without the prior approval of the Shareholders, the Board may not: (i) make any amendment to the Option Plan to increase the percentage of Common Shares issuable on exercise of outstanding Options at any time; (ii) reduce the exercise price of any outstanding Options; (iii) extend the term of any outstanding Options beyond the original expiry date of such Option; (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to insiders; (v) make any amendment to increase the maximum number of Common Shares issuable on exercise of Options to directors who are not officers or employees of the Corporation; (vi) make any amendment to the Share Option Plan that would permit an

Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vii) amend the restrictions on amendments that are provided in the Share Option Plan. Subject to restrictions set out above, the Board may amend or discontinue the Option Plan and Options granted thereunder at any time, without Shareholder approval, provided that any amendment to the Option Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of the Optionee if it adversely alters or impairs any Option previously granted to such Optionee.

The policies of the TSXV require that the Option Plan receive Shareholder approval at each annual meeting. The Option Plan was first approved at the Corporation's 2012 annual meeting of Shareholders. A copy of the Option Plan is attached hereto as Schedule "B".

RSU/DSU Plan

The Corporation adopted the RSU/DSU Plan as an additional share-based compensation plan, which provides for the ability to grant RSUs and DSUs to Eligible Persons. The Board approved the RSU/DSU Plan on February 1, 2022 and approved an amendment to the RSU/DSU Plan on August 15, 2022 that included an increase to the total number of Awards permitted to be granted under the RSU/DSU Plan. The RSU/DSU Plan is subject to shareholder approval and approval of the TSXV. On February 3, 2022, the Corporation granted 63,000 RSUs certain Eligible Persons, which are subject to disinterested Shareholder approval at the Meeting.

The implementation of the RSU/DSU Plan is intended to provide a vehicle by which equity-based incentives may be awarded to the Eligible Persons to recognize and reward their significant contributions to the long-term success of the Corporation and to align their interests more closely with the Shareholders, as well as to bring the Corporation's compensation policies in line with trends in industry practice, and to preserve working capital of the Corporation by paying Eligible Persons with compensation in the form of share-based awards as opposed to cash. Eligible Persons who are granted RSUs or DSUs under the RSU/DSU Plan are collectively referred to herein as "Participants" or "Grantees". Under the RSU/DSU Plan, settlement of RSUs or DSUs shall be made by payment of (i) delivery of one Common Share for each such RSU or DSU then being settled; or (ii) subject to approval of the Board in its sole discretion, a cash equivalent.

RSUs are performance-based share units which will be granted to Eligible Persons under the RSU/DSU Plan based on both individual and corporate performance criteria as determined by the Board or the Granting Authority (as such term is defined in the RSU/DSU Plan). The RSUs vest and are paid out to the Participant at no later than three years after the year in which the RSUs were granted. Non-vested RSUs are forfeited if the Participant voluntarily leaves his or her employment with the Corporation. RSUs provide the Corporation with a more transparent and objective tool for rewarding performance or compensating Participants, while providing the Participant with a better defined incentive award.

The RSU/DSU Plan also makes provision for the use of DSUs as partial payment of an Eligible Person's fees. A DSU is a notional share that has the same value as one Common Share as at the grant date. DSUs are paid out to the Participant as Common Shares when they retire from or no longer provide service to the Corporation. A retiring Participant can defer the payout of his or her DSUs to the year following his or her departure from the Corporation. The use of DSUs has the advantage of encouraging higher levels of share ownership by the Participants, thereby aligning their interests more closely with that of the Corporation while also preserving cash for the Corporation.

The following is a summary of the additional important provisions of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan. Readers are advised to review the full text of the RSU/DSU Plan appended hereto as Appendix "C" to fully understand all terms and conditions of the RSU/DSU Plan.

Purpose

The RSU/DSU Plan is intended to bring the Corporation's compensation policies in line with trends in industry compensation practice. The RSU/DSU Plan includes provisions for granting RSUs as well as DSUs. Under the RSU/DSU Plan, settlement of RSUs or DSUs shall be made by payment of (i) delivery of one Common Share for each such RSU or DSU then being settled; or (ii) subject to approval of the Board in its sole discretion, a cash equivalent.

The RSU/DSU Plan will advance the interests of the Corporation by encouraging Participants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of Shareholders generally, (iii) encouraging such persons to remain associated with the Corporation, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation. The Board also contemplates that through the RSU/DSU Plan, the Corporation will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Corporation.

Administration

Under the RSU/DSU Plan, the Board may, at any time, appoint a committee to, among other things, interpret, administer and implement the RSU/DSU Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the RSU/DSU Plan.

Eligible Persons

Under the RSU/DSU Plan, Awards may be granted to any Eligible Person. A Participant or Grantee is an Eligible Person to whom an Award has been granted under the RSU/DSU Plan. Pursuant to the terms of the RSU/DSU Plan and TSXV policies, no Awards may be granted to persons performing investor relations activities for the Corporation.

Number of Securities Issued or Issuable

Subject to the adjustment provisions provided for in the RSU/DSU Plan and applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including the TSXV), the maximum number of Common Shares issuable upon exercise of the Awards under the RSU/DSU Plan is 5,968,908, which represents 10% of the number of issued and outstanding Common Shares as at August 15, 2022, being the date of approval of the amendments to the RSU/DSU Plan by the Board.

If any Award is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Common Shares reserved for issue pursuant to such Award will, upon cancellation of such Awards, revert to the RSU/DSU Plan and will be available for other Awards. Any Award that is settled through the issuance of Common Shares from treasury shall not be considered cancelled, and that number of Common Shares issued shall not be available for other Awards.

Maximum Grant to Any One Participant

The issue of Awards to Eligible Persons is subject to, among other things, the following restrictions:

- (a) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to any one Eligible Person within a 12 month period may not exceed in the aggregate 5% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Corporation has received disinterested shareholder approval;
- (b) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other employee-related plan of the Corporation or options for services granted by the Corporation, including the Share Option Plan, to all insiders of the Corporation shall not exceed 10% of the number of Common Shares issued and outstanding on a non-diluted basis at any point in time unless the Corporation has received disinterested shareholder approval;
- (c) the number of Common Shares which may be reserved for issue pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any employee-related plan of the Corporation or options for services granted by the Corporation, including the Option Plan, to all insiders of the Corporation within a 12 month period may not exceed in the aggregate 10% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award unless the Corporation has received disinterested shareholder approval; and
- (d) the number of Common Shares which may be reserved for issued pursuant to the RSU/DSU Plan together with the Common Shares which may be reserved for issue pursuant to any other share compensation arrangements of the Corporation, including the Option Plan, to any one consultant in any 12 month period may not exceed 2% of the number of Common Shares issued and outstanding on a non-diluted basis on the date of the grant of the Award.

Restricted Share Units

The Granting Authority may determine the vesting schedule of any RSUs at the time of grant, provided that. Notwithstanding such determination and provided that no RSUs may vest within one year of the date of grant except in the event of the death of the Participant or if the Participant ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction, in the event of a Change of Control (as such term is defined in the RSU/DSU Plan) while the Grantee is employed by the Corporation or a wholly owned subsidiary of the Corporation, the termination of the Grantee by the Corporation without cause or in the event that the Grantee terminates employment with the Corporation and its subsidiaries by reason of Eligible Retirement (as such term is defined in the RSU/DSU Plan), death or total disability (as determined by the Granting Authority in good faith) (each an “**Accelerated Vesting Event**”), the non-vested RSUs will: (i) in the case of a Change of Control, termination without cause, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or (ii) in the case of total disability being the Accelerated Vesting Event, vest on the 60th day following the date on which the Participant is determined to be totally disabled.

If the Grantee terminates employment with the Corporation and its subsidiaries for any reason other than such Eligible Retirement, total disability or death or termination without cause, any non-vested RSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no

further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Corporation or is otherwise terminated by the Corporation for cause, all non-vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

The term of the RSUs shall be determined by the Granting Authority on the date of the award of RSUs and shall not exceed ten years from the date the RSUs are awarded. Each RSU outstanding and all rights thereunder shall expire at the expiry time determined by the Granting Authority, subject to earlier termination in accordance with the RSU/DSU Plan.

Settlement of Restricted Share Units

Payment to the Grantee in respect of vested RSUs will be made in the form of (i) fully paid Common Shares, which will be evidenced by book entry registration or by a share certificate registered in the name of the Grantee; or (ii) subject to approval of the Board, in its sole discretion, a cash equivalent, as soon as practicable following the date on which the RSUs become vested, provided that the settlement date may not be later than the third anniversary of the date of grant of the RSU and all payments in respect of vested RSUs in the Grantee's notional account maintained by the Corporation will be paid in full on or before December 31 of the same calendar year.

Deferred Share Units

DSUs granted pursuant to the RSU/DSU Plan will be used as a means of reducing the cash payable by the Corporation in respect of a Participant's compensable amounts. In so doing, the interests of a Participant will become more closely aligned with those of the Corporation and its Shareholders.

Vesting of Deferred Share Units

Subject to the vesting provisions otherwise stipulated by the Granting Authority, where a Grantee is terminated for cause or resigns and, in the case of a director of the Corporation, is otherwise removed as a result of losing his or her eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's notional account maintained by the Corporation will be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

No DSUs may vest within one year of the date of grant except in the event of the death of the Participant or if the Participant ceases to be an Eligible Person in connection with a Change of Control (as such term is defined in the RSU/DSU Plan), takeover bid, reverse takeover or similar transaction. Subject to the above, in the event of a Change of Control while the Grantee is employed by or is a director of the Corporation or a related entity or in the event of the Grantee being terminated without cause, the non-vested DSUs will immediately become 100% vested.

Settlement of Deferred Share Units

DSUs will be settled upon the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of the RSU/DSU Plan. Settlement of DSUs

shall be made by payment of (i) one Common Share for each such RSU or DSU then being settled; or (ii) subject to the approval of the Board, in its sole discretion, a cash equivalent.

Assignability

Awards granted under the RSU/DSU Plan are non-transferable and non-assignable to anyone other than to the estate of a Participant in the event of death and then only in accordance with the terms of the RSU/DSU Plan.

Procedure for Amending of the RSU/DSU Plan

Subject to the terms of the RSU/DSU Plan and any applicable requirements of the TSXV, the Granting Authority has the right at any time to amend the RSU/DSU Plan or any Award agreement thereunder, provided that the requisite shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, shareholder approval is not required for the amendments set out below:

- (a) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the TSXV;
- (c) amendments necessary in order for the Awards to qualify for favourable treatment under the *Income Tax Act* (Canada) or under the United States *Internal Revenue Code*;
- (d) amendments respecting administration of the RSU/DSU Plan; and
- (e) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the TSXV.

Financial Assistance

The Corporation does not provide financial assistance to Participants to facilitate the purchase of Common Shares upon exercise of Awards under the RSU/DSU Plan.

Other Material Information

Appropriate adjustments to the RSU/DSU Plan and to Awards granted thereunder will be made by the Corporation to give effect to adjustments in the number and type of Common Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or reclassifications of Common Shares, payment of stock dividends or other prescribed changes in the capital of the Corporation. In the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results in a Change of Control, the Corporation may take whatever action with respect to the Awards outstanding that it deems necessary or desirable including accelerating the vesting date of Awards to the date which is immediately preceding the Change of Control. Any such adjustment other than a Common Share consolidation or Common Share split shall be subject to approval of the TSXV. If approved by the Board prior to or within 30 days after such time as a Change of Control is deemed to have occurred, the Board has the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Common Shares.

The foregoing is a summary of the RSU/DSU Plan and is qualified in its entirety by reference to the full text of the RSU/DSU Plan which is attached hereto as Schedule "C".

Employment, Consulting and Management Agreements

The Corporation is party to an executive employment agreement with John Jeffrey dated effective January 1, 2018, as amended pursuant to an amending agreement dated February 1, 2019 (the "**Jeffrey Agreement**") pursuant to which Mr. Jeffrey provides services as President and CEO. The Jeffrey Agreement provides for an annual salary of \$250,000 (as may be adjusted from time to time). The term of the Jeffrey Agreement for five (5) years from the effective date of the initial agreement. In the event that Mr. Jeffrey is terminated for other than just cause, if there is a change of control, or if there is a change in the terms and conditions of employment, Mr. Jeffrey shall be entitled to receive a severance payment in an amount equal to (i) \$250,000; (ii) a sum calculated for lost bonus which would have otherwise been payable for the twelve months following the date of termination (provided that such payment shall not be less than the prior year bonus, if any, or \$20,000); and (iii) a cash payment equal to 5% of the difference between the market capitalization value of the Corporation's Common Shares on February 1, 2019, and the market capitalization value of the Corporation's Common Shares on the date of termination.

The estimated incremental payment obligation of the Corporation related to the termination entitlements set forth above, assuming that the triggering event took place on December 31, 2021, is approximately \$4,017,428.

The Corporation is party to an executive employment agreement with Justin Kaufmann dated effective July 1, 2018, as amended pursuant to an amending agreement dated May 1, 2019 (the "**Kaufmann Agreement**") pursuant to which Mr. Kaufmann provides services as Vice President, Exploration. The Kaufmann Agreement provides for an annual salary of \$160,000. The term of the Kaufmann Agreement is for five (5) years from the date of the initial agreement. In the event that Mr. Kaufmann is terminated for other than just cause, if there is a change of control, or if there is a change in the terms and conditions of employment, Mr. Kaufmann shall be entitled to receive a severance payment in an amount equal to (i) \$160,000; (ii) a sum calculated for lost bonus which would have otherwise been payable for the twelve months following the date of termination (provided that such payment shall not be less than the prior year bonus, if any, or \$20,000); and (iii) a cash payment equal to 2% of the difference between the market capitalization value of the Corporation's Common Shares on February 1, 2019, and the market capitalization value of the Corporation's Common Shares on the date of termination.

The estimated incremental payment obligation of the Corporation related to the termination entitlements set forth above, assuming that the triggering event took place on December 31, 2021, is approximately \$1,626,971.

Oversight and Description of Director and NEO Compensation

To achieve the Corporation's strategic business and financial objectives, the Corporation needs to attract, retain and motivate a highly talented executive team.

The Corporation has designed its executive compensation program to achieve the following objectives:

- provide competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to the Corporation's success;

- motivate the Corporation's executive team to achieve the Corporation's strategic business and financial objectives, including continued development of the Corporation's assets, and growing the Corporation's asset base through acquisitions of accretive, complementary opportunities;
- align the interests of the Corporation's executive officers with those of the Shareholders by tying a significant portion of compensation directly to the long-term value and growth of the Corporation's business;
- create a strong pay for performance relationship; and
- provide incentives that encourage appropriate levels of risk-taking by the Corporation's executive team.

Historically, the Corporation has offered its executive officers a base level of cash compensation and a variable annual discretionary amount paid in cash. The Corporation has also offered its executive officers equity compensation in the form of incentive stock options. For its directors, the Corporation has historically offered equity compensation in the form of stock options and other share based compensation.

While the Corporation believes that its executive compensation program remains effective at attracting and maintaining executive officer and director talent, the Corporation intends to continue evaluating its compensation practices on an ongoing basis to ensure the Corporation is providing competitive compensation opportunities. The Corporation intends to review the compensation of its executive officers and directors on an annual basis. As part of this review process, the Corporation expects to be guided by the philosophy and objectives outlined above, as well as other factors that may become relevant as the Corporation competes in the market.

Compensation-Setting Process

The compensation payable to the Corporation's directors and NEOs is currently determined by the Board based on recommendations from the Compensation Committee. The Compensation Committee is comprised of Ivan Bergerman, Jim Payne and Calvin Payne. All of the members of the Compensation Committee are independent. As Mr. Calvin Payne is not seeking re-election to the Board at the Meeting, the Board anticipates appointing a new member of the Board to the Compensation Committee as soon as reasonably practicable after the Meeting.

In assessing the compensation of its NEOs, the Corporation sets qualitative goals relating to the business strategy and operations of the Corporation, which goals are re-evaluated on an annual basis. The Corporation's executive compensation program is based on comparisons of similar type and size companies. Both individual and corporate performances are also taken into account.

As of the date hereof, the Board has not established any peer group benchmark or performance goals to be achieved or met by the NEOs; however, such NEOs are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Corporation. The satisfactory discharge of such duties of the NEOs is subject to ongoing monitoring by the Board, at least annually.

Components of Compensation

The compensation of the NEOs consists of three main components: (i) base salary or fee; (ii) variable annual discretionary payments; and (iii) long-term equity incentives, historically in the form of incentive

stock options granted from time to time under the Option Plan, and which may now include RSUs and DSUs awarded from time to time under the RSU/DSU Plan. Perquisites and benefits are not significant elements of compensation for the NEOs.

The compensation of the Corporation's directors consists of long-term equity incentives, historically in the form of incentive stock options granted from time to time under the Option Plan, and which may now include RSUs and DSUs awarded from time to time under the RSU/DSU Plan, as well as cash compensation.

Base Salary

Base salary or fee is provided as a fixed source of compensation for the NEOs. Base salaries and fees are determined on an individual basis taking into account the scope of the NEO's responsibilities, prior experience and position relative to relevant peers in the market. Base salaries will be reviewed annually and may be increased if warranted, or necessary to maintain market competitiveness. In addition, base salaries can be adjusted upwards throughout the year to reflect promotions or other increases in the scope or breadth of an NEO's role or responsibilities.

Variable Annual Discretionary Payments

The variable annual discretionary payments made to the NEOs will be subject to various qualitative or quantitative performance criteria relating to the business strategy and operations of the Corporation, as determined by the Board. The amount awarded by the Board will be payable in cash, equity or a combination of cash and equity in the sole discretion of the Board.

Long-Term Equity Incentives

Refer to the disclosure under the heading "Stock Option Plan and Other Incentive Plans" for more information on the long-term equity incentives that may be awarded to NEOs and directors pursuant to the Option Plan and the RSU/DSU Plan.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year ended December 31, 2021 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	1,982,500 ⁽¹⁾	\$2.49	3,046,570 ⁽²⁾

Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,982,500	\$2.49	3,046,570

Notes:

- (1) Reflects the number of Common Shares issuable upon exercise of the Options that were granted under the Prior Option Plan, which is a fixed Option Plan, that allows for the grant of Options exercisable for an aggregate of 5,029,070 Common Shares.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

AUDIT COMMITTEE

Pursuant to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), the Corporation is required to disclose certain information regarding its Audit Committee, as summarized below.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee (the “**Audit Committee Charter**”), which sets out the Audit Committee’s responsibility for, among other things, assisting the Board in its oversight of the integrity of the Corporation’s financial statements and other relevant public disclosures, the Corporation’s compliance with legal and regulatory requirements relating to financial reporting, the external auditor’s qualifications and independence and the performance of the internal audit function and the external auditors. The text of the Audit Committee Charter is set out as Schedule “A” hereto.

Audit Committee Composition

The Audit Committee consists of Calvin Payne (Chair), Murray (Jim) Payne and Ivan Bergerman. All members of the Audit Committee are “independent” within the meaning of section 1.4 of NI 52-110 and all

members are “financially literate” within the meaning of section 1.6 of NI 52-110. As Mr. Calvin Payne is not seeking re-election to the Board at the Meeting, the Board anticipates appointing a new member to the Audit Committee immediately following the Meeting.

Relevant Education and Experience

The following table sets out the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting.

Audit Committee Member	Relevant Education and Experience
Calvin Payne, Chair	Mr. C. Payne has a Bachelor of Applied Science from the University of British Columbia, an MBA from the University of Western Australia, and has been registered as a Professional Engineer in many provinces, states and territories in Canada, the United States and Australia. Mr. C. Payne worked in the communications tower construction and ownership industry for 40 years, as a field construction worker, design engineer, and manager in Canada, Saudi Arabia, Australia and the United States. Mr. C. Payne, co-founded WesTower Communications in 1990 and as CEO led it through a highly successful IPO on the American Stock exchange in 1997. Mr. C. Payne led a team of partners in taking the corporation back private in 2003 and growing it to the largest corporation of its type in both Canada and the United States. The corporation was sold in 2011 and Mr. C. Payne retired from its operations in 2014.
Murray (Jim) Payne	Mr. J. Payne is currently CEO of dynaCERT Inc., a Canadian corporation that specializes in delivering carbon emission reduction technologies to the global marketplace. He has more than 38 years of experience in strategic leadership roles within both public and private companies, corporate governance, finance and accounting, capital markets, executive leadership and business performance improvements. Mr. J. Payne also serves as CEO of a privately-held consulting, project management and real estate development corporation operating in the Greater Toronto Area. Mr. J. Payne graduated from St. Clair College in Construction Engineering, Project Management and Estimating.
Ivan Bergerman	Mr. Bergerman is a graduate from the University of Saskatchewan, College of Law and is a corporate and securities lawyer with extensive experience with corporate finance and capital markets.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, KPMG LLP) not adopted by the Board.

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 (*De Minimis Non-audit Services*), 3.2 (*Initial Public Offerings*), 3.4 (*Events Outside Control of Member*) and 3.5 (*Death, Disability or Resignation of Audit Committee Member*) of NI 52-110, or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by its external auditor, or the external auditor of subsidiaries of the Corporation. The Audit Committee may delegate to one or more members the authority to pre-approve non-audit services, subject to the overriding principle that the external auditor not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Audit Committee, with any decisions of the member with the delegated authority presented to the Audit Committee at the next scheduled meeting.

External Audit Service Fees

The following table summarizes the fees billed by the Corporation's auditor, KPMG LLP, and former auditor, BDO LLP, for external audit and other services during the periods indicated.

Financial Year Ending	Audit Fees⁽¹⁾ (\$)	Audit-Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
2021	118,000	-	20,000	125,000
2020	42,000	-	3,750	nil

Notes:

- (1) "Audit Fees" are the aggregate fees billed by the Corporation's external auditor for audit fees.
- (2) "Audit-Related Fees" are the aggregate fees by the Corporation's external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed under "Audit Fees".
- (3) "Tax Fees" are the aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" are the aggregate fees billed for services provided by the Corporation's auditor other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees". Amounts billed in the year ended December 31, 2021 relate to fees payable for property audits and review of the Corporation's 2021 Acquisition BAR and for services provided to test the Corporation's internal controls over financial reporting and prospectuses.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

Shareholders will be asked to fix the number of directors to be elected at the Meeting at six (6). The Board is currently comprised of the following five members: John Jeffrey (President and CEO), Ivan Bergerman, Murray (Jim) Payne, Calvin Payne and Christopher Ryan. All of the directors, with the exception of Calvin Payne, are being nominated for re-election at the Meeting.

All of the directors of the Corporation, other than Mr. Jeffrey, are independent. Mr. Bergerman, Mr. J. Payne and Mr. C. Payne have no ongoing interest or relationship with the Corporation other than their security holdings in the Corporation and serving as directors. Mr. Ryan is the Chief Executive Officer of Broadbill Energy Inc., which provides the Corporation with oil and gas marketing services.

An independent director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment. The Board is responsible for determining whether a director is an independent director.

The Board has determined that John Jeffrey is not independent as he is the President and CEO of the Corporation. Although Mr. Jeffrey is not independent, the Board is of the view that the Board functions independently of management and that the Board is organized properly, functions effectively and meets its obligations and responsibilities.

The Corporation's independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, at the end of or during each Board meeting, the members of the Corporation's management who are present at such meeting may be asked to leave the meeting, as required, so that the independent directors can discuss any necessary matters without management being present.

Directorships

The following directors or nominee directors are presently directors of the other issuers that are reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction.

Director	Other Reporting Issuer(s)	Exchange
Murray (Jim) Payne	dynaCERT Inc.	TSXV
Dr. Thomas Gutschlag	Almonty Industries Inc.	TSXV
	Deutsche Rohstoff AG	Frankfurt Stock Exchange
Grant MacKenzie	Veteran Capital Corp.	TSXV

Orientation and Continuing Education

New directors are briefed on the Corporation's business, overall strategic plans, short, medium and long term corporate objectives, financials status, general business risks and mitigation strategies, and existing company policies. There is no formal orientation for new members of the Board. This is considered to be appropriate, given the Corporation's size and current level of operations. However, if the growth of the Corporation's operations warrants it, it is possible that a formal orientation process would be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, have sufficient experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. Reference is made to the table under the heading "**Election of Directors**" for a description of the current principal occupations of the members of the Board.

Ethical Business Conduct

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board expects that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, will be initially sufficient to ensure that the Board operates in the best interests of the Corporation and its shareholders.

In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the SBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Corporation conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.

In addition, the Corporation's by-laws also include advance notice provisions (the "**Advance Notice Provisions**") designed to: (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time information with respect to all nominees; (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders. The Advance Notice Provisions fix the deadlines by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and set forth the information that a Shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of Shareholders. Under the Advance Notice Provisions, a Shareholder wishing to nominate a director is required to give the Corporation notice, in the prescribed form, within the prescribed notice periods. These notice periods include: (i) in the case of an annual meeting of Shareholders, not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, notice may be given not later than the close of business on the 10th day following such public announcement. For a special meeting of Shareholders (that is not also an annual meeting), notice must be given no later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.

Compensation

Disclosure of compensation is made in accordance with Form 51-102F6V. Refer to the disclosure under the heading "*Statement of Executive Compensation*" for more information on compensation.

Other Board Committees

In addition to the Audit Committee, the Board has a Reserves Committee, Compensation Committee and Health, Safety and Environment Committee, as described below.

Reserves Committee

The Reserves Committee is comprised of John Jeffrey, Christopher Ryan and Ivan Bergerman. The Reserves Committee mandate includes:

- reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- reviewing the Corporation's procedures for providing information to the independent evaluator;

- meeting with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the “**Reserves Data**”) and to review the Reserves Data and the report of the independent evaluator thereon;
- reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, providing a recommendation to the Board in the selection of the replacement evaluator, and determining the reason for any proposed change therefor and whether there have been any disputes with management;
- annually reviewing and approving the expected fees of the independent evaluator;
- making recommendations to the Board concerning the disclosure of Reserves Data;
- reviewing procedures for reporting other information associated with oil and gas producing activities and reviewing risks associated with such activities;

Compensation Committee

The Compensation Committee is comprised of Ivan Bergerman, Murray (Jim) Payne and Calvin Payne. Currently our mandate requires a majority of independent directors form the committee. The purpose of the Compensation Committee is to assist the Board in fulfilling its responsibility by dealing with matters relating to compensation of the directors and senior officers of the Corporation in the context of the budget and business plan of the Corporation and to ensure alignment with the Corporation’s short and long term goals.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee is comprised of John Jeffrey, Calvin Payne and Christopher Ryan. The purpose of the Health, Safety and Environment Committee is to monitor the Corporation’s environmental management program, which includes: an internal environmental compliance audit and inspection program; a suspended well inspection program to support future development or eventual abandonment; appropriate reclamation and decommissioning standards for wells and facilities ready for abandonment; an asset integrity program; an effective surface reclamation program; a groundwater monitoring program; a spill prevention, response and clean-up program; a fugitive emission survey and repair program; and an environmental liability assessment program.

Assessments

The Corporation does not currently have a formal method by which it regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice to be presented for action by the Shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any**

adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the Shareholders.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information for the Corporation's most recently completed financial year is provided in the Financial Statements and related management's discussion and analysis available on SEDAR.

A Shareholder may contact the Corporation at Suite 1000, 207 – 9th Ave S.W., Calgary, Alberta T2P 1K3, or at +1 (587) 392-7900 to obtain a copy of the Corporation's most recent financial statements and management's discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Management Information Circular have been approved by the Board.

DATED this 15th day of August, 2022.

SCHEDULE A

AUDIT COMMITTEE CHARTER

1. Purpose of the Committee

- 1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year.

2. Members of the Audit Committee

- 2.1 All members of the Committee shall be financially literate, and if not so when appointed, will endeavour to obtain a working familiarity with basic finance and accounting practices within a reasonable time. An individual will be deemed financially literate when he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- 2.2 The Committee shall consist of at least (3) directors. Ideally, all members of the Committee should be independent directors (pursuant to Multi-Lateral Instrument 52-110) but can be comprised of a majority of members who are not officers or employees of the Company or a member of an affiliate of the Company (pursuant to BCBCA).
- 2.3 At least one member of the Committee shall have accounting or related financial management expertise.
- 2.4 At least one member of the Audit Committee must be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

3. Relationship with External Auditors

- 3.1 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

4. Non-Audit Services

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
- (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

5. Appointment of Auditors

5.1 The external auditors will be appointed each year by the Shareholders of the Company at the annual general meeting of the Shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

6. Evaluation of Auditors

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

7. Remuneration of the Auditors

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the Shareholders at each general meeting of the Shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

8. Termination of the Auditors

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

9. Funding of Auditing and Consulting Services

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

10. Role and Responsibilities of the Internal Auditor

10.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

11. Oversight of Internal Controls

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are

implemented and monitored, and that such internal controls are effective.

12. Continuous Disclosure Requirements

- 12.1 At this time, due to the Company's size and limited financial resources, the Company's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13. Other Auditing Matters

- 13.1 The Audit Committee may meet with the Auditors independently of the management of the Company at any time, acting reasonably.
- 13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors of the management of the Company.

14. Annual Review

- 14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15. Independent Advisers

- 15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve, in advance, provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work that the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

The purposes and provisions specified in this Charter are meant to serve as guidelines, and the Committee is delegated the authority to adopt such additional procedures and standards as it deems may be appropriate in light of changing business, legislative, regulatory or other conditions to fulfill its responsibilities. Nothing herein is intended to expand applicable standards of liability under applicable law for directors of a corporation.

B-1

SCHEDULE B

OPTION PLAN

(see attached)

**SATURN OIL & GAS INC.
SHARE OPTION PLAN**

1. Purpose of Plan

The purpose of this plan (the "**Plan**") is to develop the interest of officers, directors and employees of, and consultants and Service Providers to, Saturn Oil and Gas Inc. and its subsidiaries (collectively, the "**Corporation**") in the growth and development of the Corporation by providing them with the opportunity through share options to acquire an increased proprietary interest in the Corporation.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of Directors appointed from time to time by the Board of Directors of the Corporation (such committee, or if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board of Directors.

3. Granting of Options

Subject to this Section 3, the Committee may from time to time designate directors, officers, employees, consultants and Service Providers of the Corporation (or in each case their personal holding companies) (collectively, the "**Optionees**"), to whom options ("**Options**") to purchase Common Shares ("**Option Shares**") of the Corporation may be granted, and the number of Option Shares to be optioned to each, provided that:

- (a) the total number of Option Shares issuable pursuant to Options outstanding at any time under the Plan shall not exceed 10% of the number of Outstanding Securities, subject to adjustment as set forth herein, and further subject to the applicable rules and regulations of all regulatory authorities to which the Corporation may be subject, including the TSX Venture Exchange (the "**TSXV**") or such other stock exchange as the Common Shares may be listed for trading;
- (b) if the Common Shares are listed on the TSXV, the aggregate number of Option Shares issuable pursuant to Options granted to any one Optionee, together with all additional securities granted to such Optionee pursuant to all Security Based Compensation Arrangements, within any 12 month period shall not exceed 5% of the number of Outstanding Securities (unless the Corporation has received the requisite disinterested shareholder approval);
- (c) If the Common Shares are listed on the TSXV, the aggregate number of securities of the Corporation issuable to Insiders (as a group) at any time pursuant to all Security Based Compensation Arrangements shall not exceed 10% of the number of Outstanding Securities (unless the Corporation has received the requisite disinterested shareholder approval);
- (d) if the Common Shares are listed on the TSXV, the aggregate number of securities of the Corporation issuable to Insiders (as a group) in any 12 month period pursuant to all Security Based Compensation Arrangements shall not exceed 10% of the number of Outstanding Securities (unless the Corporation has received the requisite disinterested shareholder approval);
- (e) if the Common Shares are listed on the TSXV, the aggregate number of Option Shares issuable pursuant to Options granted to any one Consultant (as such term is defined in the policies of the TSXV), together with all additional securities granted to such

Consultant pursuant to all Security Based Compensation Arrangements, in any 12 month period shall not exceed 2% of the number of Outstanding Securities;

- (f) if the Common Shares are listed on the TSXV, the aggregate number of Option Shares reserved for issuance to all Optionees employed to provide Investor Relations Activities (as such term is defined in the policies of the TSXV) in a 12 month period shall not exceed 2% of the number of Outstanding Securities; and
- (g) if the Common Shares are listed on the TSXV, a grant of Options to Employees, Consultants or Management Company Employees (as such terms are defined in the policies of the TSXV) pursuant to this Plan shall constitute a representation by the Corporation that the Optionee is a bona fide Employee, Consultant or Management Company Employee;

provided that for the purposes of paragraphs (c) and (d) above, an entitlement granted prior to the grantee becoming an Insider may be excluded in determining the number of securities issuable to Insiders. The Option Shares that are reserved for issuance on exercise of Options granted pursuant to this Plan that are cancelled, terminated or expired in accordance with terms of the Plan prior to the exercise of all or a portion thereof shall be available for a subsequent grant of Options pursuant to this Plan to the extent of any Option Shares issuable thereunder that are not issued under such cancelled, terminated or expired Options.

4. Vesting

The Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, subject to the policies of the TSXV or such other stock exchange as the Common Shares may be listed for trading. For greater certainty, the Committee may, in its sole discretion, accelerate the vesting of Options following their initial grant.

5. Exercise Price

The Exercise Price of any Option shall be fixed by the Committee when such Option is granted, provided that such price shall not be less than the Discounted Market Price (as such term is defined in the policies of the TSXV) of the Common Shares, or such other price as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation may be subject, including the TSXV or such other stock exchange as the Common Shares may be listed for trading, provided that if the Common Shares are not then listed and posted for trading on the TSXV or any other principal stock exchange the Exercise Price shall be determined by the Committee in its sole discretion acting reasonably and in good faith.

The Corporation must obtain disinterested shareholder approval for any reduction in the Exercise Price of an Option that is held by an Insider of the Corporation.

6. Option Terms

The period during which an Option is exercisable shall, subject to the provisions of the Plan requiring acceleration of rights of exercise, be set by the Committee on the date of grant, provided that the term of an Option shall not be greater than ten (10) years (the "**Expiry Date**"). Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable or transferable other than in the case of death of the Optionee. In addition, each Option shall provide that:

- (a) upon the death of the Optionee, the Option shall vest immediately and shall be exercisable at any time up to but not after the earlier of: (i) 365 days after the date of death; and (ii) the Expiry Date;

- (b) if the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, the Corporation as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held such Optionee on the date of such termination, whether in respect of an Option that has vested or not, shall be cancelled as of that date; and
- (c) If the Optionee shall no longer be a director or officer of, be in the employ of, or be providing ongoing management or consulting services to, the Corporation due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Corporation's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares up to but not after the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in investor relations activities) after the Optionee ceases to be an a director, officer, in the employ of, or providing ongoing management or consulting services to the Corporation.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time the relevant event referred to in subsections 6(a), (b) or (c) occurred, shall not be or become Vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

The Corporation must obtain disinterested shareholder approval for any extension in the term during which an Option is exercisable for any Option that is held by an Insider of the Corporation.

If the normal Expiry Date of any Option falls within any Blackout Period or within 10 business days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period (the "**Restricted Options**"), then the Expiry Date of such Restricted Options shall, without any further action, be extended to the date that is 10 business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 16 hereof.

7. Exercise of Option

7.1 Manner of Exercise

Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its head office, or such other place as may be specified by the Corporation, of a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment in full of the purchase price of the Option Shares then being purchased.

7.2 Cashless Exercise

Subject to Section 7.4 and the approval of the Board of Directors, which approval is at the sole discretion of the Board of Directors, an Optionee (other than an Optionee who is performing Investor Relations Activities) may choose to undertake a "cashless exercise" with the assistance of a brokerage firm with which the Corporation has an arrangement, if any, in order to facilitate the exercise of such Optionee's Option. The "cashless exercise" procedure, if permitted by the Board of Directors, shall include the following:

- (a) the brokerage firm will loan money to an Optionee to purchase the Option Shares in respect of which the Option is being exercised;

- (b) the brokerage firm will then sell a sufficient number of Common Shares to cover the aggregate Exercise Price for the applicable exercise of the Option in order to repay the loan made to the Optionee; and
- (c) the brokerage firm will receive an equivalent number of Option Shares from the exercise by the Optionee of the Option, and the Optionee will then receive the balance of the Option Shares in respect of which the Option is being exercised or the cash proceeds from the balance of such Option Shares.

For greater certainty, the Corporation is not obligated to permit, facilitate or enable a "cashless exercise" of any Option or to enter into or maintain an arrangement with any brokerage firm. Whether an Option may be exercised on a "cashless exercise" basis is at the sole discretion of the Board of Directors.

7.3 Net Exercise

Subject to Section 7.4 and the approval of the Board of Directors, which approval is at the sole discretion of the Board of Directors, an Optionee may choose to undertake a "net exercise" pursuant to which an Optionee shall receive only the number of Option Shares that is equal to the quotient obtained by dividing:

- (a) the product of (a) the number of Option Shares in respect of which the Option is being exercised, multiplied by (b) the difference between the VWAP of the Common Shares in respect of which the Option is being exercised and the Exercise Price of the subject Option; by
- (b) the VWAP of the Common Shares in respect of which the Option is being exercised.

For greater certainty, the Corporation is not obligated to permit, facilitate or enable a "net exercise" of any Option. Whether an Option may be exercised on a "net exercise" basis is at the sole discretion of the Board of Directors.

7.4 Limitations on Cashless Exercise and Net Exercise

Notwithstanding any other provision of this Plan:

- (a) the "cashless exercise" and "net exercise" provisions contained in Sections 7.2 and 7.3, respectively, shall at all times be subject to the policies of the TSXV; and
- (b) an Option held by an Optionee performing Investor Relations Activities may not be exercised on a "cashless exercise" or "net exercise" basis.

8. Effects of a Take-Over Bid

If a bona fide offer (an "**Offer**") for Common Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act* (Alberta), subject to the consent of the TSXV, or such other stock exchange as the Common Shares may be listed for trading, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon the Common Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Common Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or

- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Option Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to subsection 4.3 shall be reinstated. If any Option Shares are returned to the Company under this subsection 4.5, the Company shall immediately refund the Exercise Price to the Optionee for such Option Shares.

9. Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, and subject to the prior consent of the TSXV or such other stock exchange as the Common Shares may be listed for trading, the Board of Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Common Shares must be tendered pursuant to the Offer. The Board of Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days notice is required.

10. Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the prior consent of the TSXV or such other stock exchange as the Common Shares may be listed for trading.

11. No Rights as a Shareholder

An Optionee shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Option Shares issuable upon exercise of an Option until certificates representing such Option Shares have been issued and delivered.

12. Cessation of Employment

For the purposes of this Plan and all option agreements, unless otherwise provided in the applicable option agreement, an Optionee shall be deemed to have ceased to be a Service Provider and an Optionee shall be deemed to have terminated or resigned from employment or consulting arrangement with the Corporation or any of its subsidiaries, as applicable, for the purposes hereof on the first to occur of such termination or resignation or the date (as determined by the Board of Directors) that the Optionee ceases in the active performance of all of the regular duties of the Optionee's job, which includes the carrying on of all of the usual and customary day-to-day duties of the job for the normal and scheduled number of hours in each working day, unless the foregoing is a result of a leave of absence ("**Leave**") approved for this purpose by the Committee or senior officer to whom such Service Provider reports; the foregoing to apply whether or not adequate or proper notice of termination shall have been provided by and to the Corporation or its subsidiaries, as applicable, in respect of such termination of employment or consulting arrangement. If the Optionee shall take a Leave, the Committee may, in its sole discretion, also modify or change the vesting of any Options granted to such Optionee to take into account the period of the Leave.

13. Adjustment of Option Price and Number of Option Shares

13.1 Share Reorganization

Whenever the Company issues Common Shares to all or substantially all holders of Common Shares by way of a stock dividend or other distribution, or subdivides all outstanding Common Shares into a greater number of Common Shares, or combines or consolidates all outstanding Common Shares into a lesser number of Common Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Exercise Price will be adjusted to a price per Option Share which is the product of:
 - i. the Exercise Price in effect immediately before that effective date or record date; and
 - ii. a fraction, the numerator of which is the total number of Common Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Common Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subparagraph (a)(ii).

For the avoidance of doubt, any adjustments made to the number of Unissued Option Shares in accordance with this Section 13.1 shall be subject to the limits set out in Section 3 of this Plan. Should the Company not have sufficient Common Shares to increase the number of Unissued Options Shares under this Section 13.2 or the adjustment to the number of Unissued Option Shares under this Section 13.1 will result in any breach of the limitations set out in Section 3 hereof, the Company must satisfy its obligations under this Section 13.1 in cash on the same terms and in the same manner as the dividend on the Common Shares which gave rise to the adjustment to the number of Unissued Option Shares.

13.2 Special Distribution

Subject to the prior approval of the TSXV or such other stock exchange as the Common Shares may be listed for trading, whenever the Corporation issues by way of a dividend or otherwise distributes to all or substantially all holders of Common Shares:

- (a) shares of the Corporation, other than the Common Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board of Directors of the Corporation has determined to be outside the normal course); or
- (d) rights, options or warrants,

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Common Shares are determined for purposes of the Special Distribution, for each Option the Exercise Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board of Directors in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Common Shares as a result of such Special Distribution.

Any adjustments made to the number of Unissued Option Shares in accordance with this Section 13.2 shall be subject to the limits set out in Section 3 of this Plan. Should the Company not have sufficient Common Shares to increase the number of Unissued Options Shares under this Section 13.3 or the adjustment to the number of Unissued Option Shares under this Section 13.2 will result in any breach of the limitations set out in Section 3, the Company must satisfy its obligations under this Section 13.2 in cash on the same terms and in the same manner as the dividend on the Common Shares which gave rise to the adjustment to the number of Unissued Option Shares.

13.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Common Shares, a change of Common Shares into other shares or securities, or any other capital reorganization of the Corporation, other than as described in subsections 13.1 or 13.2;
- (b) a consolidation, merger or amalgamation of the Corporation with or into another corporation resulting in a reclassification of outstanding Common Shares into other shares or securities or a change of Common Shares into other shares or securities; or
- (c) a transaction whereby all or substantially all of the Corporation's undertaking and assets become the property of another corporation,

any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he or she would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board of Directors.

13.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Exercise Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Corporation's auditor, or, if they decline to so act, any other firm of Chartered Accountants that the Board of Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Corporation and all Optionees.

13.5 Regulatory Approval

Any adjustment to the Exercise Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of subsection 13.1, 13.2 or 13.3 is subject to the approval of the TSXV or such other stock exchange as the Common Shares may be listed for trading and any other governmental authority having jurisdiction.

14. Option Agreements

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Option Shares subject to Option, the Exercise Price, provisions as to vesting (if applicable) and expiry, and any other terms approved by the Committee, all in accordance with the provisions of this Plan. The agreement will be in such form as the Committee may from time to time approve, or authorize the officers of the Corporation to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this

Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen, and the rules of any regulatory body having jurisdiction over the Corporation.

15. Regulatory Authorities Approvals

The Plan shall be subject to the approval, if required, of any stock exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval shall be conditional upon such approval being given, and no such Options may be exercised unless such approval, if required, is given.

16. Amendment or Discontinuance of the Plan

The Committee may not, without the prior approval of the holders of Common Shares: (i) make any amendment to the Plan to increase the percentage of Option Shares issuable on exercise of outstanding Options at any time pursuant to Section 3(a) hereof; (ii) reduce the Exercise Price of any outstanding Options; (iii) extend the term of any outstanding Option beyond the original Expiry Date of such Option; (iv) make any amendment to increase the maximum limit on the number of securities that may be issued to Insiders pursuant to Section 3(c) hereof; (v) make any amendment to Section 3(e) to increase the maximum number of Option Shares issuable on exercise of Options granted to directors who are not officers or employees of the Corporation; (vi) make any amendment to the Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or (vii) amend this Section 16.

Except as restricted by the foregoing, the Committee may amend or discontinue the Plan or Options granted thereunder at any time without shareholder approval provided that any amendment to the Plan that requires approval of any stock exchange on which the Common Shares are listed for trading may not be made without approval of such stock exchange. In addition, no amendment to the Plan or Options granted pursuant to the Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Plan.

17. Hold Period

In addition to any resale restrictions imposed under applicable securities laws, if required by the TSXV or any other regulatory authority, Options granted under the Plan and Option Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the Option Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the TSXV or any other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

18. Common Shares Duly Issued

Option Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Option Shares thereunder will not require a resolution or approval of the Board of Directors of the Corporation.

19. Prior Plans

This Plan shall come into force and effect on ratification approval by shareholders of the Corporation or its predecessor corporations and, if necessary, approval of any stock exchange on which the Common Shares are listed for trading and entirely replaces and supersedes prior share option plans enacted by the Board of Directors of the Corporation, or its predecessor corporations.

20. Definitions

- (a) "**Blackout Period**" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option.
- (b) "**Exercise Price**" means the price per Option Share specified in an option agreement, adjusted from time to time in accordance with the provisions in Section 13.
- (c) "**Expiry Date**" means the date set by the Committee under Section 6 of the Plan, as the last date on which an Option may be exercised.
- (d) "**insider**", "**associate**", "**affiliate**" have the meanings ascribed thereto in the *Securities Act* (Alberta).
- (e) "**Insider**" means an insider of the Corporation and any person who is an associate or an affiliate of an insider of the Corporation.
- (f) "**Option Shares**" means the aggregate number of Common Shares which an Optionee may purchase under an Option.
- (g) "**Outstanding Securities**" at the time of any share issuance or grant of Options means the aggregate number of Common Shares that are outstanding immediately prior to the share issuance or grant of Options in question on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation may be subject, including the TSXV or such other stock exchange as the Common Shares may be listed for trading.
- (h) "**Security Based Compensation Arrangements**" means (i) stock option plans for the benefit of employees, Insiders, Service Providers or any one of such groups; (ii) individual stock options granted to employees, Service Providers or Insiders if not granted pursuant to a plan previously approved by the Corporation's shareholders; (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances by the Corporation of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, Insider or Service Provider which is financially assisted by the Corporation by any means whatsoever; provided that Security Based Compensation Agreements shall not include any warrants of the Corporation outstanding on the effective date of this Plan.
- (i) "**Service Provider**" means a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of twelve months or more.
- (j) "**Unissued Option Shares**" means the number of Common Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the Plan, such adjustments to be cumulative.
- (k) "**Vested**" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.
- (l) "**VWAP**" means the volume weighted average trading price of the Corporation's Common Shares on the TSXV, or such other exchange on which the Corporation's Common

Shares may be trading, calculated by dividing the total value by the total volume of Common Shares traded for the five trading days immediately preceding the exercise of the subject Option. Where appropriate, the TSXV may exclude internal crosses and certain other special terms trades from the calculation

21. Effective Date

This Plan is effective on August 15, 2022.

SCHEDULE C

**RESTRICTED SHARE UNIT AND
DEFERRED SHARE UNIT PLAN**

(see attached)

**SATURN OIL & GAS INC.
(the "Issuer")**

**RESTRICTED SHARE UNIT AND
DEFERRED SHARE UNIT COMPENSATION PLAN**

1. Purpose

- (a) **Background.** The Issuer currently has in place the Stock Option Plan pursuant to which Options may be granted to purchase Shares. Subject to section 14 hereof, the Issuer now also adopts this RSU/DSU Plan on the terms and conditions herein set forth (as may be amended from time to time) in order to provide the Issuer with flexibility in designing various equity-based compensation arrangements for the Directors, Employees, Consultants and other Persons engaged to provide ongoing services to the Issuer and its Affiliates, other than Persons involved in Investor Relations Activities relating to the Issuer. The Issuer represents that Employees, Consultants or Management Company Employees who are granted Awards under this RSU/DSU Plan will be bona fide Employees, Consultants or Management Company Employees at the time of grant. Section 14 hereof sets forth the provisions concerning the effective date of the RSU/DSU Plan, its termination and application to Awards under the existing and continuing Stock Option Plan.
- (b) **Purpose.** The purpose of this RSU/DSU Plan is to advance the interests of the Issuer by encouraging Directors, Employees and Consultants to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such Persons in the Issuer, (ii) aligning the interests of such Persons with the interests of the Issuer's shareholders generally, (iii) encouraging such Persons to remain associated with the Issuer, and (iv) furnishing such Persons with additional incentive in their efforts on behalf of the Issuer. The Board also contemplates that through the RSU/DSU Plan, the Issuer will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Issuer.

Restricted Share Units granted pursuant to this RSU/DSU Plan will be used to compensate Participants for their individual performance-based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established Performance Criteria.

Deferred Share Units granted pursuant to this RSU/DSU Plan will be used as a means of reducing the cash payable by the Issuer in respect of a Participant's compensable amounts. In so doing, the interest of each Participant will become more closely aligned with those of the Issuer and its shareholders.

2. Definitions

For purposes of this RSU/DSU Plan, the following terms shall have the meaning set forth below:

- (a) **"Act"** means the Business Corporations Act (Saskatchewan), or its successor, as amended, from time to time.
- (b) **"Affiliate"** has the meaning ascribed to that term in section 2 of Policy 1.1 of the TSXV.
- (c) **"Associate"** has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (d) **"Awards"** means, collectively, Restricted Share Units and Deferred Share Units.
- (e) **"Board"** means the board of directors of the Issuer.

- (f) "**Change of Control**" has the meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (g) "**Committee**" means the Board, or if the Board so determine in connection with section 3 hereof, the compensation committee of the Board, which shall consist of not less than three (3) members of the Board.
- (h) "**Company**" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (i) "**Consultant**" means an individual (other than an Employee or a Director) or Company, that:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Issuer or an Affiliate of the Issuer and the individual or the Company, as the case may be;
 - (iii) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
 - (iv) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (j) "**Control**" means, with respect to any Person, the possession, directly or indirectly, severally or jointly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.
- (k) "**Deferred Share Units**" means a right, granted in accordance with section 6 hereof, to receive a Share.
- (l) "**Director**" means a director, senior officer or Management Company Employee of the Issuer, or a director, senior officer or Management Company Employees of the Issuer's subsidiaries.
- (m) "**Disability**" means a physical injury or mental incapacity of a nature which the Committee determines prevents or would prevent the Grantee from satisfactorily performing the substantial and material duties of his or her position with the Issuer.
- (n) "**Disinterested Shareholder Approval**" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom Shares may be issued pursuant to this RSU/DSU Plan.
- (o) "**Effective Date**" means the date as of which an Award shall take effect, provided that the Effective Date shall not be a date prior to the date the Granting Authority determines an Award shall be made and, unless otherwise specified by the Granting Authority, the Effective Date will be the date the Granting Authority determines an Award shall be made.
- (p) "**Eligible Person**" means, from time to time, any Director or Employee of the Issuer or an Affiliate of the Issuer, any Consultant and any Permitted Assign, other than Persons involved in Investor Relations Activities relating to the Issuer.

- (q) **"Eligible Retirement"** means, if determined by the Granting Authority in its sole discretion, termination of service, under circumstances as shall constitute retirement for age as determined by the Granting Authority or in accordance with the written policies established by the Granting Authority as they may be amended or revised from time to time.
- (r) **"Employees" means:**
- (i) an individual who is considered an employee under the ITA (such as an individual for whom income tax, employment insurance and Canadian Pension Plan deductions must be made at the source) of the Issuer or any Affiliate;
 - (ii) an individual who works full-time for the Issuer or any Affiliate thereof providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source; or
 - (iii) an individual who works for the Issuer or any Affiliate thereof on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Issuer or any Affiliate thereof over the details and methods of work as an employee of the Issuer or any Affiliate thereof, but for whom income tax deductions are not made at the source.
- (s) **"Exchange"** means the TSXV or such other "stock exchange" where the Shares are listed for trading as at the relevant time.
- (t) **"Grant Date"** means the date on which an Award is granted to a Participant.
- (u) **"Granting Authority"** means the Board, the Committee or other committee, as applicable, that is charged with exercising the powers and responsibility as to a specific matter in question affecting this RSU/DSU Plan or an Award.
- (v) **"Insiders"** has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (w) **"Issuer"** means Saturn Oil & Gas Inc., a corporation existing under the Act, and includes any successor corporation thereof.
- (x) **"Investor Relations Activities"** has the same meaning ascribed to that term in section 1.2 of Policy 1.1 of the TSXV.
- (y) **"ITA"** means the Income Tax Act (Canada) and any regulations thereunder as amended from time to time.
- (z) **"Management Company Employee"** means an individual employed by a Person providing management services to the Issuer, which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person involved in Investor Relations Activities relating to the Issuer.
- (aa) **"Market Value"** of a Share as of a relevant date shall mean the fair market value as determined by the Granting Authority:
- (i) in accordance with the rules of the TSXV if the Shares are then listed on such Exchange; or

- (ii) if the Shares are not publicly traded at the time a determination of its fair market value is required to be made hereunder, the determination of fair market value shall be made in good faith by the Granting Authority using any fair and reasonable means selected in the Granting Authority's discretion.
- (bb) "**Option**" means an option granted in accordance with the terms of the Stock Option Plan to purchase a Share.
- (cc) "**Participants**" or "**Grantees**" means those individuals to whom Awards have been granted from time to time under the RSU/DSU Plan.
- (dd) "**Performance Criteria**" means such financial, personal and/or other performance criteria as may be determined by the Granting Authority with respect to Awards of Restricted Share Units and, for greater certainty, the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Issuer and any other factors which the Granting Authority deems appropriate and relevant.
- (ee) "**Permitted Assign**" means for a person that is an Employee, Director or Consultant of the Issuer or any of its Affiliates, a holding entity (as defined in National Instrument 45-106) of the person or an RRSP or RRIF of the Person.
- (ff) "**Person**" means a Company or an individual.
- (gg) "**Restricted Period**" means the period established by the Granting Authority with respect to an Award during which the Award either remains subject to forfeiture or is not exercisable by the Participant.
- (hh) "**Restricted Share Unit**" means a right, granted in accordance with section 6 hereof, to receive a Share.
- (ii) "**RSU/DSU Plan**" means this Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended and restated from time to time.
- (jj) "**Shareholder Approval Date**" means the date on which this RSU/DSU Plan is approved by the shareholders of the Issuer.
- (kk) "**Shares**" means the common shares of the Issuer, as adjusted in accordance with the provisions of section 9 hereof.
- (ll) "**Stock Option Plan**" means the Issuer's stock option plan as it exists on the date hereof and as may be amended from time to time.
- (mm) "**Termination**" means: (i) in the case of an Employee, the termination of the employment of the Employee with or without cause by the Issuer or an Affiliate or the cessation of employment of the Employee with the Issuer or an Affiliate, other than the Eligible Retirement, of the Employee; and (ii) in the case of a Consultant, the termination of the services of the Consultant by the Issuer or any Affiliate.
- (nn) "**TSXV**" means the TSX Venture Exchange.
- (oo) "**TSXV Hold Period**" means the day that is four months and one day after the date of granting of the Award.
- (pp) "**Vested**" or "**Vesting**" means, with respect to an Award, that the applicable conditions established by the Granting Authority or this RSU/DSU Plan have been satisfied or, to the extent permitted

under the RSU/DSU Plan, waived, whether or not the Participant's rights with respect to such Award may be conditioned upon prior or subsequent compliance with any confidentiality, non-competition or non-solicitation obligations.

3. Administration

- (a) **Powers of the Board and the Committee.** Subject to and consistent with the terms of the RSU/DSU Plan, applicable law and applicable rules of the Exchange, and subject to the provisions of any charter adopted by the Board with respect to the powers, authority and operation of the Committee (as amended from time to time), the Board will have the general power to administer the RSU/DSU Plan in accordance with its terms (including all powers specified in clause 3(a)(ii) hereof and make all determinations required or permitted to be made, provided, however, that the Board may delegate all or any portion of such powers to the Committee or to other committees and provided, further, that with respect to Awards of the Issuer's executive officers, the Committee shall have such powers as are set forth in clause 3(a)(i) hereof.
- (i) **Specific Provisions Concerning Delegation of Authority to the Committee.** In addition to any authority of the Committee specified under any other terms of the RSU/DSU Plan, and notwithstanding any other provision herein to the contrary, insofar as Awards under the RSU/DSU Plan are to be made to executive officers, the Committee will make recommendations to the Board with respect to Awards.

The foregoing shall not limit the Board in delegating any other powers to the Committee or in delegating any or all determinations or other powers with respect to certain types of Awards, including the full power to make Awards and to exercise the other powers set forth in clause 3(a)(ii) hereof and the other powers granted herein to the Granting Authority.

- (ii) **Specific Powers of the Granting Authority.** Without limiting the lead-in paragraph of subsection 3(a) hereof, the powers of the Granting Authority shall include the powers to, subject to subsection 10(c) hereof:
- (1) interpret the RSU/DSU Plan and instruments of grant evidencing the Awards;
 - (2) prescribe, amend and rescind such procedures and policies, and make all determinations it deems necessary or desirable for the administration and interpretation of the RSU/DSU Plan and instruments of grant evidencing Awards;
 - (3) determine those Persons who are eligible to be Participants, grant one or more Awards to such Persons and approve or authorize the applicable form and terms of the related instrument of grant;
 - (4) determine the terms and conditions of Awards granted to any Participant, including, without limitation, and subject always to the RSU/DSU Plan (1) subject to subsection 4(b) and 4(c), the type, and number of Shares subject to an Award, (2) the conditions to the Vesting of an Award or any portion thereof, including terms relating to lump sum or instalment Vesting, the period for achievement of any applicable Performance Criteria as a condition to Vesting and the conditions, if any, upon which Vesting of any Award or portion thereof will be waived or accelerated without any further action by the Granting Authority, (3) the circumstances upon which an Award or any portion thereof shall be forfeited, cancelled or expire, (4) the consequences of a Termination with respect to an Award, (5) the manner of exercise or settlement of the Vested portion of an Award, including whether an Award shall be settled on a current or deferred basis, and (6)

whether and the terms upon which any Shares delivered upon exercise or settlement of an Award must continue to be held by a Participant for any specified period;

- (5) set forms of consideration, if any, to be paid with respect to the settlement of an Award (except to the extent certain forms of consideration must be paid to satisfy the requirements of applicable law);
- (6) determine whether and the extent to which any Performance Criteria or other conditions applicable to Vesting of an Award have been satisfied or shall be waived or modified;
- (7) amend the terms of any instrument of grant or other documents evidencing Awards; provided, however, that subject to subsection 5(d) hereof, no amendment of an Award may, without the consent of the holder of the Award, adversely affect such Person's rights with respect to such Award in any material respect;
- (8) accelerate or waive any condition to the Vesting of any Award, all Awards, any class of Awards or Awards held by any group of Participants; and
- (9) determine whether and the extent to which adjustments shall be made pursuant to section 9 hereof and the terms of any such adjustments.

However, the Granting Authority shall not have any discretion under this subsection 3(a) or any other provisions of the RSU/DSU Plan that would modify the terms or conditions of any Award that is intended to be exempt from the definition of "salary deferral arrangement" in the ITA if the exercise of such discretion would cause the Award to not be or cease to be exempt. The Granting Authority will also exercise its discretion in good faith in accordance with the Issuer's intention that the terms of the Awards and the modifications or waivers permitted hereby are in compliance with applicable law and the rules of the Exchange.

- (b) **Effects of Granting Authority's Decision.** Any action taken, interpretation or determination made, or any rule or regulation adopted by the Granting Authority pursuant to this RSU/DSU Plan shall be made in its sole discretion and shall be final, binding and conclusive on all affected Persons, including, without limitation, the Issuer, any of its Affiliates, any Grantee, holder or beneficiary of an Award, any shareholder and any Eligible Person.
- (c) **Liability Limitation and Indemnification.** No member of the Granting Authority or the Board generally shall be liable for any action or determination made in good faith pursuant to the RSU/DSU Plan or any instrument of grant evidencing any Award granted under the RSU/DSU Plan. To the fullest extent permitted by law, the Issuer shall indemnify and save harmless, and shall advance and reimburse the expenses of, each Person made, or threatened to be made, a party to any action or proceeding in respect of the RSU/DSU Plan by reason of the fact that such Person is or was a member of the Granting Authority or is or was a member of the Board in respect of any claim, loss, damage or expense (including legal fees) arising therefrom.
- (d) **Delegation and Administration.** The Granting Authority may, in its discretion, delegate such of its powers, rights and duties under the RSU/DSU Plan, in ana as it may determine, from time to time, on terms and conditions as it may determine, except the Granting Authority shall not, and shall not be permitted to, delegate any such powers, rights or duties: (i) with respect to the grant, amendment, administration or settlement of any Award of a Participant, (ii) with respect to the establishment or determination of the achievement of the Performance Criteria, or (iii) with respect to any matter that would be in violation of applicable law or the rules of any Exchange. The Granting

Authority may also appoint or engage a trustee, custodian or administrator to administer and implement the RSU/DSU Plan or any aspect of it, subject to the exception of the immediately preceding sentence hereof.

4. Shares Subject to the Plan

- (a) **Aggregate Plan Limits.** Subject to adjustment pursuant to section 9 hereof, the maximum aggregate number of Shares that may be reserved for issue at any given time in connection with the Awards granted under this RSU/DSU Plan shall not exceed 5,968,908 Shares (being 10% of the issued and outstanding Shares as at August 15, 2022, the date on which the Board approved this RSU/DSU Plan) unless Disinterested Shareholder Approval for an additional listing of Shares under this RSU/DSU Plan has been obtained.
- (b) **Certain Additional Limits.** Notwithstanding anything to the contrary in this RSU/DSU Plan, as long as the Shares are listed on the TSXV,
- (i) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Person within a 12 month period shall not exceed in the aggregate 5% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval;
 - (ii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders shall not exceed 10% of the number of Shares issued and outstanding on a non-diluted basis at any point in time unless the Issuer has received Disinterested Shareholder Approval;
 - (iii) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with the Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to all Insiders within a 12 month period shall not exceed in the aggregate 10% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date unless the Issuer has received Disinterested Shareholder Approval; and
 - (iv) the number of Shares which may be reserved for issue pursuant to this RSU/DSU Plan together with those Shares which may be reserved for issue pursuant to any other employee-related plan of the Issuer or options for services granted by the Issuer, including the Stock Option Plan, to any one Consultant in any 12 month period shall not exceed 2% of the number of Shares issued and outstanding on a non-diluted basis on the Grant Date.

For the purposes of determining compliance with the above restrictions, the Granting Authority will take into account Shares reserved or issued pursuant to Options together with Shares reserved or issued pursuant to all of the Issuer's security-based compensation arrangements (including this RSU/DSU Plan) to the extent required by applicable law and applicable rules of the TSXV. In accordance with the applicable rules of the TSXV, no RSUs or DSUs may be granted to persons involved in Investor Relations Activities.

- (c) **Source of Shares.** Except as expressly provided in the RSU/DSU Plan, Shares delivered to Participants in connection with the exercise or settlement of Awards may be authorized but unissued Shares, Shares purchased in the open-market or in private transactions. The Board shall take such action as may be necessary to authorize and reserve for issue from unissued Shares such number of Shares as may be necessary to permit the Issuer to meet its obligations under the

RSU/DSU Plan, provided, however, that the Issuer may satisfy its obligations from treasury shares or Shares purchased in the open market or private transactions.

- (d) **Legends.** In addition to any resale restrictions required under applicable securities laws or the policies of the TSXV, all Awards issued to Insiders and any Shares issued upon the Vesting of the Awards prior to the expiry of the TSXV Hold Period, must be legended as prescribed under the policies of the TSXV with the TSXV Hold Period commencing on the date the Awards were granted.

5. General Provisions Relating to Awards

- (a) **Eligibility.** Awards will be granted only to those Persons who are, at the time of the grant, Eligible Persons. If any Participant is (pursuant to the terms of his or her employment or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Granting Authority may grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Granting Authority shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.
- (b) **Terms of Grant.** Subject to the other express terms of this RSU/DSU Plan, grants of Awards under the RSU/DSU Plan shall contain such terms and conditions as the Granting Authority may specify. Without limiting the foregoing,
- (i) Each Award granted under the RSU/DSU Plan shall be evidenced by an instrument of grant, in such form or forms as the Granting Authority shall approve from time to time, which shall set forth such terms and conditions consistent with the terms of the RSU/DSU Plan as the Granting Authority may determine. Each instrument of grant shall set forth, at a minimum, the type and Effective Date of the Award evidenced thereby, the number of Shares subject to such Awards and the applicable Vesting conditions. Reference in the RSU/DSU Plan to an instrument of grant shall include any supplements or amendments thereto.
 - (ii) The term or Restricted Period of each Award that is a Restricted Share Unit shall be for such period as may be determined by the Granting Authority, provided, however, that in no event shall the term of any Restricted Share Unit exceed a period of 10 years (or such other shorter term as may be required in respect of an Award so that such Award does not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA), subject to extension of such term where such term expires during the Restricted Period, provided that such extension may not be longer than 10 business days after the expiry of the Restricted Period.
 - (iii) The terms, conditions and/or restrictions contained in an Award may differ from terms, conditions and restrictions contained in any other Awards.
 - (iv) The Granting Authority may specify such other terms and conditions, consistent with the terms of the RSU/DSU Plan, as the Granting Authority shall determine or as shall be required under any other provisions of the RSU/DSU Plan. Such terms may include, without limitation, provisions requiring forfeiture of Awards in the event of termination of employment by the Participant and provisions permitting a Participant to make elections relating to his or her Award.
- (c) **Vesting Conditions.** Subject to terms of the RSU/DSU Plan, the Granting Authority shall determine any and all conditions to the Vesting of all and/or any portion of Awards and shall specify the material terms thereof in the applicable instrument of grant on, or as soon as reasonably practicable following, the Effective Date of the Award. Vesting of an Award, or portion thereof, may be conditioned upon passage of time, continued employment, satisfaction of Performance Criteria, or

any combination of the foregoing, as determined by the Granting Authority, provided that no Restricted Share Units or Deferred Share Units granted pursuant to this RSU/DSU Plan may vest before one year from the date of grant, other than where accelerated vesting is expressly permitted pursuant to Section 6(b) herein.

- (d) **Change of Control.** Unless otherwise provided in the Award or by direction of the Granting Authority as to all or any type of number of Awards, in the event of a Change of Control and notwithstanding any other Vesting or other restrictions or conditions, the Granting Authority may take whatever action with respect to the Awards outstanding that it deems necessary or desirable, including following:
- (i) The Granting Authority may waive all restrictions and conditions of all Restricted Share Units and Deferred Share Units then outstanding with the result that those types of Awards shall be deemed satisfied, and the Restricted Period or other limitations on payment in full with respect thereto shall be deemed to have expired, as of the date of the Change of Control or such other date as may be determined by the Granting Authority, provided that, in no event shall a payment be made in respect of a Deferred Share Unit granted to a Participant prior to the date such Participant ceases to be an Employee or Director of the Issuer or of an Affiliate.
 - (ii) Notwithstanding the above provision of this subsection 5(d), but subject to any contractual rights created by the terms of an Award, the Granting Authority shall not be required to take any action described in the preceding provisions, and any decision made by the Granting Authority, in its sole discretion, not to take some or all of the actions described in the preceding provisions shall be final, binding and conclusive with respect to the Issuer and all other interested Persons. Any acceleration of Vesting shall be deemed to have occurred immediately prior to the Change of Control, no matter when the determination of the Granting Authority occurs.
 - (iii) If approved by the Board prior to or within 30 days after such time as a Change of Control shall be deemed to have occurred, the Board shall have at any time the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Shares. Such requirement may be specified in any arrangement relating to such Change of Control transaction to which the Issuer is a party or may be specified in any notice sent by the Issuer, which arrangement or notice may also specify the terms and timing of such settlement. If not so specified, the Board may require settlement at any time within a 45-day period immediately following the date that the Change of Control is deemed to have occurred. The Issuer may require Participants to verify the amount and completeness of any settlement of Awards as a condition to the final settlement and payment.
- (e) **Fractional Shares.** No fractional Shares shall be issued under the RSU/DSU Plan and there shall be no entitlement or payment for any fractional Shares and no payment shall be made in lieu of a fractional Share.
- (f) **Compliance with the ITA.** The terms and conditions applicable to any Award (or portion thereof) granted to a Participant who is subject to taxation under the ITA are intended to comply with the ITA. Without limiting the foregoing,
- (i) the terms of any such Award (or portion thereof) permitting the deferral of payment or other settlement thereof shall be subject to such requirements and shall be administered in such manner as the Committee may determine to be necessary or appropriate to comply with the applicable provisions of the ITA as in effect from time to time; and
 - (ii) any elections allowed to be exercised by a Participant shall be deemed to be void or shall be deemed amended or altered so as not to cause the Award to be considered a "salary

deferral arrangement" under the ITA, as defined in subsection 248(1) or create adverse tax consequences under the ITA.

6. Restricted Share Units and Deferred Share Units

- (a) **Grants.** The Granting Authority may from time to time grant one or more Awards of Restricted Share Units and/or Deferred Share Units to Eligible Persons on such terms and conditions, consistent with the RSU/DSU Plan, as the Granting Authority shall determine and which terms shall be contained in a grant agreement substantially in the form annexed hereto as schedule A (in respect of Restricted Share Units) and schedule B (in respect of Deferred Share Units).
- (b) **Vesting Terms.** Restricted Share Units shall become Vested at such times, in such instalments and subject to such terms and conditions consistent with subsection 5(c) hereof as may be determined by the Granting Authority and set forth in the applicable instrument of grant, provided that the conditions to Vesting of Restricted Share Units may be based on the Participant's continued employment and having regard to the satisfaction of any Performance Criteria established by the Granting Authority, provided however that Restricted Share Units shall become Vested and be paid out no later than December 31 of the third calendar year following the calendar year in which the Grantee rendered the services in respect of which the Award is being made.

Notwithstanding the foregoing, Restricted Share Units shall also Vest in accordance with the following terms:

- (i) upon the death of the Participant, a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the death, will Vest on the date the Issuer is duly notified of the Participant's death. The Shares represented by the Restricted Share Units held by the Participant shall be issued, as determined by the Granting Authority, to the Participant's estate forthwith;
- (ii) in the case of Eligible Retirement of the Participant, a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the Eligible Retirement will Vest on the date of Eligible Retirement, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith;
- (iii) in the case of total Disability of the Participant, a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the total Disability will Vest within 60 days following the date on which the Participant is determined to be totally disabled, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith; and
- (iv) in the case of termination without cause by the Issuer of a Participant (other than Eligible Retirement), a pro rata number of the unvested Restricted Share Units credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the date of the termination shall Vest on the date of such termination, and the Shares represented by Restricted Share Units held by the Participant shall be issued to the Participant forthwith. For clarity, where a Participant is terminated for cause or where the Participant has voluntarily terminated his/her employment or service with the Issuer, all unvested Restricted Share Units as at the date of such termination or cessation of service shall be immediately cancelled without liability or compensation therefor and be of no further force and effect.

Unless otherwise provided at the time of the grant, the Vesting of Deferred Share Units shall occur at such times, in such instalments and subject to such terms and conditions as may be determined by the Granting Authority and set forth in the applicable instrument of grant, provided that the DSUs shall not vest within one year of the date of grant except in the event of death of the Participant or if the Participant ceases to be an Eligible Person in connection with a Change of Control, takeover bid, reverse takeover or similar transaction.

- (c) **Settlement.** Unless otherwise determined by the Granting Authority (including by the terms of the Award of the RSU/DSU Plan) and subject to the immediately preceding sentence and to subsection 6(b) hereof, Restricted Share Units shall be settled upon or as soon as reasonably practicable following the Vesting thereof and Deferred Share Units shall be settled on the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of this RSU/DSU Plan.

Settlement of Restricted Share Units and Deferred Shares Units in Shares shall be made by payment of (i) delivery of one Share for each such Restricted Share Unit or Deferred Share Unit then being settled; or (ii) subject to the approval of the Board, in its sole discretion, a cash equivalent.

Upon payment of any amount pursuant to settlement of Deferred Share Units or Restricted Share Units granted under this section 6 in Shares or by a cash equivalent, the particular Deferred Share Units or Restricted Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares, cash or otherwise) shall be made in relation to such Deferred Share Units or Restricted Share Units.

If any Restricted Share Unit or Deferred Share Unit is cancelled in accordance with the terms of the RSU/DSU Plan or the agreements evidencing the grant, the Shares reserved for issue pursuant to such Award shall, upon cancellation of such Restricted Share Unit or Deferred Share Unit, as applicable, revert to the RSU/DSU Plan and shall be available for other Awards.

- (d) **Dividend Equivalents.** Neither the Participant nor his or her legal personal representative shall have any rights or privileges of a shareholder in respect of any of the Shares issuable upon exercise of the Award granted to him or her (including any right to receive dividends or other distributions therefrom or thereon) unless and until certificates representing such Shares have been issued and delivered.
- (e) **Timing Requirements.** Notwithstanding any other provision of the RSU/DSU Plan, all amounts payable to, or in respect of a Grantee in respect of Deferred Share Units including, without limitation, the delivery of Shares, shall not be made prior to the date such Grantee ceases to be an Eligible Person and shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the date the Grantee ceases to be an Eligible Person. All Deferred Share Units granted to a Participant shall have such terms and conditions as are necessary to comply with paragraph 6801(d) of the Regulations of the ITA.
- (f) **No Other Benefit.**
- (i) No amount will be paid to, or in respect of, a Participant (or a Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the RSU/DSU Plan to compensate for a downward fluctuation in the price of a Share or the value of any Award granted, nor will any other form of benefit be conferred upon, or in respect of, a Participant (or a person with whom the Participant does not deal at arm's length within the meaning of the ITA), for such purpose.

- (ii) The Issuer makes no representations or warranties to Participants with respect to the RSU/DSU Plan or any Deferred Share Units or Restricted Share Units whatsoever. Participants are expressly advised that the value of any Deferred Share Units or Restricted Share Units in the RSU/DSU Plan will fluctuate as the trading price of the Shares fluctuates.
- (iii) In seeking the benefits of participation in the RSU/DSU Plan, a Participant agrees to exclusively accept all risks associated with a decline in the trading price of the Shares and all other risks associated with the holding of Deferred Share Units or Restricted Share Units.

7. Consequences of Termination

- (a) **General Provisions.** Unless otherwise determined by the Granting Authority (including by the terms of the Award or the RSU/DSU Plan).
 - (i) If a Grantee is terminated for any reason whatsoever other than death, total Disability, Eligible Retirement, termination without cause by the Issuer, subject to subsection 6(c) hereof, any non-vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
 - (ii) If employment of a Grantee is terminated for cause or retirement which is not Eligible Retirement or is otherwise voluntarily terminated by the Grantee, any non-Vested Award granted pursuant to the RSU/DSU Plan outstanding at the time of such termination and all rights thereunder shall wholly and completely terminate and no further Vesting shall occur.
- (b) **Discretion of the Granting Authority.** Notwithstanding any other provision hereof and without limiting the discretion of the Granting Authority, the Granting Authority may (whether by terms of the Award or by its election notwithstanding the terms of an Award):
 - (i) allow non-Vested Awards to be treated as Vested upon termination of employment or service of a Participant, as to any or all of termination, death or total Disability;
 - (ii) provide that the Awards with respect to certain classes, types or groups of Participants will have different acceleration, forfeiture, termination, continuation or other terms than other classes, types or groups of Participants;
 - (iii) provide for the continuation of any Award for such period which is not longer than 12 months and upon such terms and conditions as are determined by the Granting Authority in the event that a Participant ceases to be an Eligible Person;
 - (iv) subject to the applicable rules of the Exchange, provide that Vested Awards may be exercised for periods longer or different from those set forth in subsection 7(a) hereof; or
 - (v) set any other terms for the exercise or termination of Awards upon termination of employment or service.

Notwithstanding the foregoing, all Awards granted to Participants who are subject to the ITA shall be on terms that will be designed to prevent them from being considered a "salary deferral arrangement" as defined in subsection 248(1) of the ITA.

- (c) **Leave of Absence.** If an Employee is on sick leave or other bona fide leave of absence, such Person shall be considered an "Employee" for purposes of an outstanding Award during the period of such leave, provided that it does not exceed 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), or, if longer, so long as the Person's

right to reemployment is guaranteed either by statute or by contract. If the period of leave exceeds 90 days (or such longer period as may be determined by the Granting Authority in its sole discretion), the employment relationship shall be deemed to have been terminated on the 91st day (or the first day immediately following any period of leave in excess of 90 days as approved by the Granting Authority) of such leave, unless the Person's right to reemployment is guaranteed by statute or contract.

8. Transferability

- (a) **Transfer Restrictions.** Unless otherwise provided in the instrument of grant evidencing an Award, no Award, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for payment of the Participant's debts, judgments, alimony or separate maintenance.
- (b) **Transfer upon Death of Participant.** In the case where transfer is made following the death of a Participant to the Participant's legal personal representative, such legal personal representative may only receive the entitlement under the Award provided that it is exercised (if exercisable) at any time up to and including, but not after, 5:00 p.m. (Calgary time) on the date which is one year following the date of death of the Participant or up to 5:00 p.m. (Calgary time) on the date on which the Award granted to such participant expires, whichever is the earlier; such entitlement shall only occur in cases where the Award has Vested in accordance with the provisions of the RSU/DSU Plan and where it is found that the Participant is legally entitled to the Award.

9. Adjustments

- (a) **No Restriction on Action.** The existence of the RSU/DSU Plan and/or the Awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Issuer to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Issuer, (ii) any merger, consolidation, amalgamation or change in ownership of the Issuer, (iii) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the capital Share of the Issuer or the rights thereof, (iv) any dissolution or liquidation of the Issuer, (v) any sale or transfer of all or any part of the assets or business of the Issuer, or (vi) any other corporate act or proceeding with respect to the Issuer. No Participant or any other Person shall have any claim against any member of the Board or the Granting Authority, or the Issuer or any employees, officers or agents of the Issuer as a result of any such action.
- (b) **Recapitalization Adjustment**
- (i) In the event that (A) a dividend shall be declared upon the Shares or other securities of the Issuer payable in Shares or other securities of the Issuer, (B) the outstanding Shares shall be changed into or exchanged for a different number or kind of shares or securities of the Issuer or of another corporation or entity, whether through an arrangement, plan of arrangement, amalgamation, or other similar statutory procedure or a share recapitalization, subdivision, consolidation or otherwise, (C) there shall be any change, other than those specified in (A) or (B) above, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, or (D) there shall be a distribution of assets or shares to shareholders of the Issuer out of the ordinary course of business then, the Granting Authority shall determine whether an adjustment in the number or kind of Shares theretofore authorized but not yet covered by Awards, in the number or kind of Shares theretofore subject to outstanding Awards, in the number or kind of Shares generally available for Awards or available in any calendar year under the RSU/DSU Plan and/or

such other adjustment as may be appropriate should be made, in order to ensure that, after any such event, the Shares subject to the RSU/DSU Plan and each Participant's proportionate interest shall be maintained substantially as before the occurrence of the event, and if the Granting Authority determines that an adjustment should be made, such adjustment shall be made and be effective and binding for all purposes. Any such adjustment, other than a Share consolidation or Share split shall be subject to approval of the TSXV.

- (ii) Notwithstanding the above, any adjustments made to the number of Shares subject to outstanding Awards shall be subject to the limits set out in Section 4 of this RSU/DSU Plan. Should the Company not have a sufficient number of Shares available under this RSU/DSU Plan to increase the number of Shares subject to outstanding Awards under Section 9(b)(i) or if the adjustment to the number of Shares issuable upon such adjustment will result in any breach of the limitations set out in Section 4, the Company must satisfy its obligations under Section 9(b)(i) in cash on the same terms and in the same manner as the dividend or distribution on the Shares which gave rise to the adjustment.
- (iii) Any adjustment to any Award granted to a Participant which has been designed to fall within a specific exemption to the definition of "salary deferral arrangement" in subsection 248(1) of the ITA shall be such as to ensure the continued availability of such exemption.

10. Amendment and Termination

- (a) **General.** Subject to the provisions of subsection 10(c) hereof, the Board may amend, suspend or terminate this RSU/DSU Plan, or any portion thereof, at any time, subject to those provisions of applicable law and the rules of the Exchange, if any, that require the approval of shareholders or any governmental regulatory body.
- (b) **Amendments Specifically Permitted.** Without limiting the generality of the foregoing, the Board may make the following types of amendments to the RSU/DSU Plan without seeking shareholder approval (unless and to the extent prohibited by applicable law or rule of an Exchange):
 - (i) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
 - (ii) amendments necessary to comply with the provisions of applicable law and the applicable rules of the Exchange;
 - (iii) amendments necessary in order for Awards to qualify for favourable treatment under the ITA or under the United States Internal Revenue Code;
 - (iv) amendments respecting administration of the RSU/DSU Plan;
 - (v) any amendments to the vesting provision of the RSU/DSU Plan or any Award;
 - (vi) any amendments to the early termination provisions of the RSU/DSU Plan or any Award, whether or not such Award is held by an Insider, provided such amendment does not entail an extension of an Award beyond the original expiry date;
 - (vii) any amendments in the termination provision of the RSU/DSU Plan or any Award, other than an Award held by an Insider in the case of an amendment extending the term of an Award, provided any such amendment does not entail an extension of the expiry date of such Award beyond its original expiry date;

- (viii) adjustments to outstanding Awards in the event of a Change of Control or similar transaction entered into by the Issuer;
 - (ix) amendments necessary to suspend or terminate the RSU/DSU Plan; and
 - (x) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the Exchange.
- (c) **Shareholder Approval.** To the extent required by applicable law or by the rules of the Exchange, shareholder approval will be required for the following types of amendments:
- (i) any amendment extending the term of an Award beyond its original expiry date except as otherwise permitted by the RSU/DSU Plan;
 - (ii) any amendment extending eligibility to participate in the RSU/DSU Plan to persons other than Eligible Persons;
 - (iii) any amendment permitting the transfer of Awards, other than for normal estate settlement purposes or to a trust governed by a registered retirement savings plan, registered retirement income fund, tax free savings account, registered education savings plan or similar plan;
 - (iv) any amendment increasing the maximum aggregate number of Shares that may be subject to issue at any given time in connection with Awards granted under the RSU/DSU Plan;
 - (v) any amendment to these amendment provisions;
 - (vi) the adoption of any option exchange involving an Award; and
 - (vii) any other amendment required to be approved by shareholder under applicable law or rules of a Exchange.

To the extent of any conflict between subsection 10(b) and subsection 10(c) hereof, subsection 10(c) shall prevail.

11. Regulatory Approval

Notwithstanding anything herein to the contrary, the Issuer shall not be obligated to cause to be issued any Shares or cause to be issued and delivered any certificates evidencing Shares pursuant to the RSU/DSU Plan, unless and until the Issuer is advised by its legal counsel that the issue and delivery of the Shares and such Share certificates is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities in Canada, the United States and any other applicable jurisdiction, and the requirements of the Exchange. The Issuer shall in no event be obligated to take any action in order to cause the issue or delivery of Shares or such certificates to comply with any such laws, regulations, and delivery of such Shares or certificates and in order to ensure compliance with such laws, regulations, rules, orders and requirements, that the Participant, or any permitted transferee of the Participant under section 7 hereof or, after his or her death, the Participant's estate, as described in section 7 hereof, make such covenants, agreements and representations as the Granting Authority deems necessary or desirable.

12. No Additional Rights

No Person shall have any claim or right to be granted Awards under the RSU/DSU Plan, and the grant of any Awards under the RSU/DSU Plan shall not be construed as giving a Participant any right to continue in the employment of the Issuer or affect the right of the Issuer to terminate the employment of a Participant. Unless otherwise determined by the Granting Authority, neither any period of notice, if any, nor any payment

in lieu thereof, upon Termination shall be considered as extending the period of employment for the purposes of the RSU/DSU Plan.

13. Miscellaneous Provision

- (a) **Shareholder Rights.** A Participant shall not have the right or be entitled to exercise any voting rights, receive any dividends or have or be entitled to any other rights as a shareholder in respect of Shares subject to an Award unless and until such Shares have been paid for in full and issued and certificates therefor have been issued to the Participant. A Participant entitled to Shares as result of the settlement of a Restricted Share Unit or Deferred Share Unit shall not be deemed for any purpose to be, or have any such rights as a shareholder of the Issuer by virtue of such exercise or settlement, except to the extent a Share certificate is issued therefor and then only from the date such certificate is issued. No adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date such Share certificate is issued.
- (b) **Withholding.** The Issuer or any Affiliate may withhold from any amount payable to a Participant, either under this RSU/DSU Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer or any Affiliate will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or that any other required deductions are paid or otherwise satisfied, at the minimum statutory rate. Subject to the other provisions of the RSU/DSU Plan, the Issuer shall also have the right in its discretion to satisfy any such liability for withholding or other required deduction amounts by retaining or acquiring any Shares, or retaining any amount payable, which would otherwise be issued or delivered, provided or paid to a Participant hereunder. The Issuer may require a Participant, as a condition to the settlement of a Restricted Share Unit or a Deferred Share Unit, to pay or reimburse the Issuer for any such withholding (at the minimum statutory rate) or other required deduction amounts related to the settlement of Restricted Share Units or Deferred Share Units.
- (c) **Governing Law.** The RSU/DSU Plan, all instruments of grant evidencing Awards granted hereunder and any other agreements or other documents relating to the RSU/DSU Plan shall be interpreted and construed in accordance with the laws of Saskatchewan (and the federal laws having application therein), except to the extent the terms of the RSU/DSU Plan, any supplement to the RSU/DSU Plan, or the Award in question expressly provides for application of the laws of another jurisdiction. The Granting Authority may provide that any dispute as to any Award shall be presented and determined in such forum as the Granting Authority may specify, including through binding arbitration. Any reference in the RSU/DSU Plan, in any instruments of grant evidencing Awards granted hereunder or in any other agreement or document relating to the RSU/DSU Plan to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.
- (d) **Compliance with Securities Laws.** The obligation of the Issuer to issue and deliver Shares in accordance with the RSU/DSU Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Issuer. If Shares cannot be issued to a Participant upon the exercise of an Award for any reason whatsoever, the obligation of the Issuer to issue such Shares shall terminate and any funds paid to the Issuer in connection with the exercise of such Award will be returned to the relevant Participant as soon as practicable.
- (e) **Compliance with Laws of Other Jurisdictions.** Awards may be granted to Participants who are citizens or residents of a jurisdiction other than Canada or the United States on such terms and conditions different from those under the RSU/DSU Plan as may be determined by the Granting Authority to be necessary or advisable to achieve the purposes of the RSU/DSU Plan while also complying with applicable local laws, customs and tax practices, including any such terms and conditions as may be set forth in any supplement to the RSU/DSU Plan intended to govern the terms

of any such Award. In no event shall the eligibility, grant, exercise or settlement of an Award constitute a term of employment, or entitlement with respect to employment, of any employee.

- (f) **Funding.** Except as would not result in adverse tax consequences to a Participant, no provision of the RSU/DSU Plan shall require or permit the Issuer, for the purpose of satisfying any obligations under the RSU/DSU Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Issuer maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the RSU/DSU Plan other than as unsecured general creditors of the Issuer, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other Eligible Persons under general law.
- (g) **No Guarantee of Tax Consequences.** Neither the Board, nor the Issuer nor the Granting Authority makes any commitment or guarantee that any specific tax treatment will apply or be available to any Person participating or eligible to participate hereunder.

14. **Effective Date and Term of RSU/DSU Plan**

- (a) **Effective Date of the Plan.** The RSU/DSU Plan shall initially become effective on the Shareholder Approval Date, and any subsequent amendments to the RSU/DSU Plan, shall become effective upon their adoption by the Board, subject to approval by the shareholders of the Issuer at the next annual meeting of shareholders of the Issuer or any adjournment thereof, to the extent required. The effective date of this RSU/DSU Plan, as so amended, shall be the date of approval by the shareholders of the Issuer. If the shareholders do not approve the RSU/DSU Plan, or any amendments to the RSU/DSU Plan requiring shareholder approval, the RSU/DSU Plan or such amendments shall not be effective, and any and all actions taken prior thereto under the amendments effected hereby, including the making of any Awards subject to such approval being obtained, shall be null and void or shall, if necessary, be deemed to have been fully rescinded. However, in such case the Stock Option Plan shall remain in effect.
- (b) **Effect on Existing Awards.** Subject to subsection 14(a) hereof all new Awards granted on or after the effective date of the amendments as provided in subsection 14(a) hereof are granted under and subject to the terms of this RSU/DSU Plan as amended and restated and all outstanding Options granted under the Stock Option Plan shall continue to be governed by the terms of the Stock Option Plan and to the terms of their individual option agreements as in effect from time to time including provisions concerning change of control or other related events.
- (c) **Termination.** The Board may suspend or terminate the RSU/DSU Plan at any time, provided that such suspension or termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan prior to such termination or suspension. The RSU/DSU Plan shall automatically terminate on failure to receive requisite shareholder confirmation every year (or such other period of time as required by the Exchange) from the date of its initial approval by shareholders provided that such termination shall not affect any Awards that became effective pursuant to the RSU/DSU Plan prior to such termination.

SCHEDULE A

RESTRICTED SHARE UNIT AGREEMENT

[All Awards issued to Insiders must include the following legend:

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].

THIS RESTRICTED SHARE UNIT AGREEMENT (the "**Agreement**") is made as of the ● day of ●, ●.

B E T W E E N :

SATURN OIL & GAS INC.

(herein called the "**Issuer**")

- and -

●

(herein called the "**Grantee**")

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan (in effect from time to time, the "**RSU/DSU Plan**"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU/DSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU/DSU Plan, the terms of the RSU/DSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU/DSU Plan.

Each RSU (as defined below) granted to the Grantee hereunder represents a right of the Grantee to receive one common share of the Issuer as presently constituted (each a "**Share**") on the terms set out herein.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of restricted share units (the "**RSUs**") equal to the number of RSUs set out in exhibit 1 attached hereto, upon the terms and conditions set out in this Agreement, including the following:

Restricted Share Units. Each RSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the date the said RSU vests.

Grantee's Notional Account. The Issuer shall maintain in its books a notional account for the Grantee (the "**Grantee's Account**") recording the number of RSUs granted to the Grantee and the number of RSUs that have Vested. Upon payment in satisfaction of vested RSUs through Shares or cash, such Vested RSUs shall be cancelled.

Vesting. Subject to the earlier vesting provisions set out herein, the RSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto (provided that in no event will the Grantee become entitled to acquire a fraction of a Share).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by the Issuer or a wholly owned subsidiary of the Issuer or in the event that the Grantee terminates employment with the Issuer and its Subsidiaries by reason of Eligible Retirement, death or total Disability (as determined by the Committee in good faith) (each an "**Accelerated Vesting Event**"), the non-vested RSUs will:

- (i) in the case of a Change of Control, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or
- (ii) in the case of total Disability being the Accelerated Vesting Event, vest on the 60th day following the Grantee's termination.

If the Grantee terminates employment with the Issuer and its Subsidiaries for any reason other than such Eligible Retirement, total Disability or death or termination without cause, any non-vested RSUs granted hereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Issuer or is otherwise terminated by the Issuer for cause, all non-Vested RSUs of the Grantee shall be immediately cancelled without compensation or liability therefor and be of no further force and effect.

In no event will the Grantee become entitled to acquire a fraction of a Share:

Settlement of Vested RSUs. Payment to the Grantee in respect of Vested RSUs will be made in the form of (i) fully paid Shares, which will be evidenced by book entry registration or by a certificate registered in the name of the Grantee; or (ii) subject to approval of the Board, in its sole discretion, a cash equivalent, as soon as practicable following the date on which the RSUs become Vested; provided that the settlement date shall not be later than the third anniversary of the Grant Date and all payments in respect of Vested RSUs in the Grantee's Account shall be paid in full on or before December 31 of the same calendar year.

No Shareholder Rights. The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the RSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

RSUs Non-Transferable. RSUs are non-transferable (except to a Grantee's estate as contemplated under this Agreement).

No Other Benefit. No amount will be paid to, or in respect of, the Grantee under the RSU/DSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU/DSU Plan or the RSUs whatsoever. The Grantee is expressly advised that the value of the RSUs in the RSU/DSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU/DSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU/DSU Plan.

Withholding Tax. As set out in section 13 of the RSU/DSU Plan, if the Issuer determines that under the requirements of applicable tax laws the Issuer is obligated to withhold for remittance to any taxing authority any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU/DSU Plan.

Income Taxes: The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of RSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

No Inducement. By executing a copy of this Agreement, the Grantee hereby accepts the grant of RSUs and hereby confirms and acknowledges that his or her participation in the RSU/DSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU/DSU Plan by expectation of employment or continued employment with the Issuer.

Reorganization. The existence of any RSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Binding Effect. This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators, successors and Permitted Assigns.

Unfunded and Unsecured RSU/DSU Plan. Unless otherwise determined by the Board, this Agreement and the RSU/DSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU/DSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of RSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Saskatchewan and the laws of Canada applicable therein, without regard to principles of conflict of laws.

Effective Date. The effective date of this Agreement shall be the Grant Date.

Severability. The invalidity or unenforceability of any provision of the RSU/DSU Plan or Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

SATURN OIL & GAS INC.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date:

EXHIBIT 1 TO SCHEDULE A

SATURN OIL & GAS INC.

RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT COMPENSATION PLAN

NOTICE OF RESTRICTED SHARE UNITS GRANTED

Grantee: _____

Address: _____

You have been granted Restricted Share Units of Saturn Oil & Gas Inc. (the "**Issuer**"), as follows:

Grant Date: _____

Number of Restricted Share Units: _____

Starting Value of Restricted Share Unit Grant: _____

Vesting Schedule: _____

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Restricted Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended from time to time.

SATURN OIL & GAS INC.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date:

SCHEDULE B

DEFERRED SHARE UNIT AGREEMENT

[All Awards issued to Insiders must include the following legend:

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and the shares issuable upon the vesting thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and one day after the Grant Date of the Award].

THIS DEFERRED SHARE UNIT AGREEMENT (the "Agreement") is made as of the • day of •, •

B E T W E E N :

**SATURN OIL & GAS INC.
(herein called the "Issuer")**

- and -

•

(herein called the "Grantee")

This Agreement is made pursuant to the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan (in effect from time to time, the "RSU/DSU Plan"), which is incorporated by reference herein. The Grantee accepts the terms and conditions of the RSU/DSU Plan and all rules and procedures adopted thereunder, as amended from time to time. In the event of any inconsistency between the terms of this Agreement and the terms of the RSU/DSU Plan, the terms of the RSU/DSU Plan shall prevail. Certain terms with initial capital letters used in this Agreement have the meanings set out in the RSU/DSU Plan.

The Issuer has granted to the Grantee, as of the Grant Date set out in exhibit 1 attached hereto, that number of deferred share units (the "DSUs") equal to the number of DSUs set out in exhibit 1 attached hereto upon the terms and conditions set out in this Agreement, including the following:

Definitions:

- (a) **"Distribution Date"** means either the Separation Date or such later date as the Grantee may elect (by written notice delivered to the Issuer prior to the Separation Date), provided that in no event shall a Grantee be permitted to elect a date which is later than December 1 of the calendar year following the calendar year in which the Separation Date occurs. In the case of death of a Grantee, the Distribution Date shall have the meaning ascribed to it under section 5 hereof;
- (b) **"Related Entity"** has the meaning ascribed to the term "related entity" in section 2.22 of National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators, as amended from time to time; and
- (c) **"Separation Date"** means the date on which the Grantee ceases service as a director, and is not at that time an employee or officer, of the Issuer or a Related Entity.

Deferred Share Units. Each Vested DSU granted to the Grantee hereunder represents a right of the Grantee to receive one Share on the Distribution Date.

Grantee's Notional Account. The Issuer shall maintain in its books a notional account for the Grantee (the "Grantee's Account") recording the number of DSUs granted to the Grantee and the number of DSUs that have Vested. Upon payment in satisfaction of Vested DSUs through Shares or cash on or about the Distribution Date (in accordance with the provisions herein), such Vested DSUs shall be cancelled as of the applicable Distribution Date.

Vesting. Subject to the earlier vesting provisions set out herein, the DSUs granted by the Issuer to the Grantee as set out on exhibit 1 attached hereto shall vest in accordance with the vesting provisions set out on exhibit 1 attached hereto, provided that where a Grantee is terminated for cause, resigns or, in the case of a director of the Issuer, is otherwise removed as a result of losing his/her eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's account shall be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by or is a director of the Issuer or a Related Entity or in the event of the Grantee being terminated without cause, the non-vested DSUs will immediately become 100% vested.

In no event will the Grantee become entitled to acquire a fraction of a Share.

Distribution of Vested DSUs. The Issuer shall within 10 business days after the Distribution Date (i) issue to the Grantee a number of Shares equal to the number of Vested DSUs in the Grantee's Account, which will be evidenced by book entry registration or by a certificate registered in the name of the Grantee; or (ii) subject to approval of the Board, in its sole discretion, a cash equivalent, In the case of a Grantee's Death, the Distribution Date shall be on or before the 30th business day after the Issuer is duly notified of the death of the Grantee and such distribution shall be made to the estate of the Grantee.

Reporting of DSUs. Statements of the Grantee's Account will be provided to Grantees on an annual basis.

No Shareholder Rights. The Grantee will have none of the rights of a shareholder of the Issuer with respect to any Shares underlying the DSUs, including the right to vote such shares and receive any dividends that may be paid thereon, until such time, if any, that the Grantee has been determined to be a shareholder of record by the Issuer's transfer agent or one or more certificates of Shares are delivered to the Grantee in settlement thereof. Further, nothing herein will confer upon the Grantee any right to remain in the employ of the Issuer or its Subsidiaries.

DSUs Non-Transferable. DSUs are non-transferable (except to a Grantee's estate as provided for in this Agreement).

No Other Benefit. No amount will be paid to, or in respect of, the Grantee under the RSU/DSU Plan to compensate for a downward fluctuation in the value of the Shares, nor will any other form of benefit be conferred upon, or in respect of, the Grantee for such purpose.

The Issuer makes no representations or warranties to the Grantee with respect to the RSU/DSU Plan or the DSUs whatsoever. The Grantee is expressly advised that the value of the DSUs in the RSU/DSU Plan will fluctuate as the value of Shares fluctuates.

In seeking the benefits of participation in the RSU/DSU Plan, the Grantee agrees to exclusively accept all risks associated with a decline in the value of Shares and all other risks associated with participation in the RSU/DSU Plan.

Withholding Tax. As set out in section 13 of the RSU/DSU Plan, if the Issuer determines that under the requirements of applicable tax laws, the Issuer is obligated to withhold for remittance to any taxing authority

any amount, the Issuer may require the Grantee to pay to the Issuer, such amount as the Issuer is obliged to remit in connection with the issue of the Shares as set out in section 13 of the RSU/DSU Plan.

Income Taxes: The Grantee acknowledges that he/she will be liable for income tax relating to grants and dispositions of DSUs. The Grantee hereby acknowledges that the Issuer is making no representation to him/her regarding taxes applicable to the Grantee and the Grantee will confirm the tax treatment with his/her own tax advisor.

No Inducement. By executing a copy of this Agreement, the Grantee hereby accepts the grant of DSUs and hereby confirms and acknowledges that his or her participation in the RSU/DSU Plan is voluntary and that he or she has not been induced to enter into this Agreement or participate in RSU/DSU Plan by expectation of employment or continued employment with the Issuer.

Reorganization. The existence of any DSUs shall not affect in any way the right or power of the Issuer or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Issuer's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Issuer or to create or issue any bonds, debentures, shares or other securities of the Issuer or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Issuer or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Binding Effect. This Agreement shall enure to the benefit of and be binding upon the Issuer and the Grantee and each of their respective heirs, executors, administrators, successors and Permitted Assigns.

Unfunded and Unsecured RSU/DSU Plan. Unless otherwise determined by the Board, this Agreement and the RSU/DSU Plan shall be unfunded and the Issuer will not secure its obligations under this Agreement or the RSU/DSU Plan. To the extent any Grantee or his or her estate holds any rights by virtue of a grant of DSUs under this Agreement, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Issuer.

Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the Province of Saskatchewan and the laws of Canada applicable therein, without regard to principles of conflict of laws.

Effective Date. The effective date of this Agreement shall be the Grant Date.

Severability. The invalidity or unenforceability of any provision of the RSU/DSU Plan or this Agreement shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Agreement.

SATURN OIL & GAS INC.

GRANTEE

Name:
Title:
Date:

Signature of Grantee
Name:
Title:
Date:

EXHIBIT 1 TO SCHEDULE B

SATURN OIL & GAS INC.

RESTRICTED SHARE UNIT AND DEFERRED SHARE UNIT COMPENSATION PLAN

NOTICE OF DEFERRED SHARE UNITS GRANTED

Grantee: _____

Address: _____

You have been granted Deferred Share Units of Saturn Oil & Gas Inc. (the "Issuer"), as follows:

Grant Date: _____

Number of Deferred Share Units: _____

Starting Value of Deferred Share Unit Grant: _____

Vesting Schedule: _____

By your signature and the signature of the Issuer's representative below, you and the Issuer agree that this Deferred Share Unit Grant is granted under and governed by the terms and conditions of the Issuer's Restricted Share Unit and Deferred Share Unit Compensation Plan, as amended from time to time.

SATURN OIL & GAS INC.

Name:

Title:

Date:

GRANTEE

Signature of Grantee

Name:

Title:

Date: