

**HILLCREST ENERGY TECHNOLOGIES LTD.**  
**(the "Corporation")**  
**RESERVES COMMITTEE - MANDATE OF THE BOARD OF DIRECTORS**  
**(the "Board")**

**Purpose**

1. The purpose of the Reserves Committee is to assist the Board in the discharge of the Board's duties with respect to complying with the requirements contained in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

**Composition and Process**

2. Following each annual meeting of shareholders of the Corporation, the Board shall appoint not less than three directors to serve on the Reserves Committee, the majority of whom shall be independent as that term is defined in the current laws applicable to the Corporation.
3. The Chairman of the Reserves Committee shall be appointed by the Board or, if it does not do so, the members of the Reserves Committee may elect a Chairman by vote of a majority of the full Reserves Committee membership.
4. Any member of the Reserves Committee may be removed or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director of the Corporation. Each member of the Reserves Committee shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member resigns or is replaced, whichever first occurs.
5. If all members consent, and proper notice has been given or waived, a member or members of the Reserves Committee may participate in a meeting of the Reserves Committee by means of such telephonic, electronic or other communication facilities as to permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such meeting by any such means is deemed to be present at that meeting.
6. The Reserves Committee shall hold a meeting no less than one time per year. Additional meetings may be held as deemed necessary by the Chairman of the Reserves Committee or as requested by any member of the Reserves Committee to discharge its responsibilities.
7. The Chairman of the Reserves Committee appointed by the Board will, in consultation with management, the members of the Reserves Committee and the independent qualified reserves evaluator or auditors as defined in NI 51-101, and hereinafter referred to as "Independent Evaluator", determine the schedule, time and place of meetings, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members and other attendees with sufficient time for study prior to the meeting.
8. A quorum for the transaction of business at all meetings of the Reserves Committee shall be a majority of the members of the Reserves Committee. Questions arising at any meeting shall be determined by a majority of votes of the members of the Reserves Committee present.
9. The Reserves Committee may invite such directors, officers and employees of the Corporation as it may see fit from time to time to attend meetings of the Reserves Committee and assist in the discussion and consideration of the business of the Reserves Committee, but without voting rights.

10. The Reserves Committee shall keep regular minutes of proceedings and shall cause them to be recorded in books kept for that purpose, and shall report the same to the Board at such times as the Board may, from time to time, require.
11. A Secretary to the Reserves Committee may be appointed by the Chairman of the Reserves Committee. The Secretary of the Reserves Committee may or may not be a member of the Reserves Committee.
12. The Reserves Committee has the authority to delegate authority to individuals or sub-Committees of the Reserve Committee.
13. The Chairman of the Reserves Committee may invite the Independent Evaluator to attend and report at any scheduled meeting of the Reserves Committee.

### **Duties and Responsibilities**

14. Subject to the powers and duties of the Board, the Board hereby delegates to the Reserves Committee the following powers and duties to be performed by the Reserves Committee on behalf of and for the Board:
  - (a) review, with reasonable frequency, the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including the Corporation's procedures for complying with the disclosure requirements and restrictions of NI 51-101;
  - (b) review the appointment of the Independent Evaluator under NI 51-101 and, in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the appointed Independent Evaluator and management;
  - (c) review, with reasonable frequency, the Corporation's procedures for providing information to the Independent Evaluator who reports on reserves data (as defined in NI 51-101 and hereinafter referred to as "Reserves Data") for the purposes of NI 51-101;
  - (d) before approving the filing of the Reserves Data and the annual filings required by NI 51-101, meet with management and the Independent Evaluator in order to:
    - i. determine whether any restrictions affect the ability of the Independent Evaluator to report on the Reserves Data without reservation; and
    - ii. review the Reserves Data and the report of the Independent Evaluator thereon;
  - (e) review the annual filings required by NI 51-101 ("Annual Filings") and recommend approval of the contents and the filing of the Annual Filings to the Board;
  - (f) review all oil and gas disclosures, made by or on behalf of the Corporation, that the Corporation knows, or ought reasonably to know, is or will become available to the public and any document filed with a securities regulatory authority to ensure compliance with NI 51-101;
  - (g) determine whether any restrictions affect the ability of the Independent Evaluator in reporting on the Corporation's reserves data;
  - (h) in order to preserve the independence of the Independent Evaluator, the Reserves Committee will confirm:

- i. the engagement of the Independent Evaluator engaged by the Corporation; and
- ii. to the Board the compensation of the Independent Evaluator.

### **Reporting**

15. The Reserves Committee is responsible, to report annually to the Board to recommend approval of the content and the filing of the Annual Filings to the Board.
16. The Reserves Committee is responsible to report, as required, to the Board to deal with current issues including public disclosure documents and continuous disclosure filings which relate to Reserves Data or are otherwise subject to disclosure requirements under NI 51-101.

### **Governance**

17. The Reserves Committee will:
  - a. review and update the Reserves Committee Mandate on an annual basis and as needed to ensure compliance with changing legal, regulatory and exchange requirements;
  - b. work with the Disclosure Committee (if any) with respect to the Corporation's disclosure obligations under NI 51-101; and
  - c. co-ordinate with the Audit Committee with respect to overlapping information and disclosure obligations involving reserves and financial reporting.

### **Advisors**

18. The Reserves Committee has the power, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Reserves Committee in the discharge of its duties.

**Adopted and approved by the Board April 28, 2020.**

## RESERVES COMMITTEE - CHAIRMAN POSITION DESCRIPTION

### **1. Appointment**

The Chairman of the Reserves Committee of the Board of Directors (the "Board") will be appointed, serve and be removed at the pleasure of the Board or, if it does not do so, the members of the Reserves Committee may replace and elect a Chairman by vote of a majority of the Reserves Committee membership.

### **2. Duties of the Reserves Committee Chairman**

In addition to fulfilling his or her duties as an individual director, the duties of the Reserves Committee Chairman are to:

- a) lead the Reserves Committee in discharging all duties set out in the Reserves Committee Mandate and as are delegated to the authority of the Reserves Committee by the Board;
- b) take reasonable steps to ensure that the Reserves Committee members execute their duties pursuant to the Reserves Committee Mandate;
- c) manage the affairs of the Reserves Committee to ensure that the Reserves Committee is organized properly and functions effectively;
- d) preside at, and together with the Reserves Committee members and advisors, as appropriate, call, schedule and prepare the agenda for each meeting of the Reserves Committee, provided, if the Chair is not present, the Reserves Committee shall choose a member to chair the meeting;
- e) coordinate with management, reserves evaluators, reserves engineers, reserves auditors and all other advisors engaged by the Reserves Committee to ensure that
  - i. documents are delivered to members in sufficient time in advance of Reserves Committee meetings for a thorough review;
  - ii. matters are properly presented for the Reserves Committee's consideration at meetings;
  - iii. members have an appropriate opportunity to discuss issues at each meeting;
  - iv. members have an appropriate opportunity to question management, employees, reserves evaluators, reserves engineers, reserves auditors and all other advisors engaged by the Reserves Committee regarding reserves issues and all other matters of importance to the Reserves Committee; and
  - v. members work constructively towards their recommendations to the Board;
- f) communicate with each member of the Reserves Committee to ensure that:
  - i. each member has the opportunity to be heard and participate in decision making; and

- ii. each member is accountable to the Reserves Committee;
- g) arrange for the preparation, accuracy and distribution of all minutes of the Reserves Committee to its members and the Board;
- h) act as contact person, respond to questions and make recommendations regarding the prompt and fair resolution of concerns and complaints for all reserves related issues;
- i) ensure that the Reserves Committee, following each meeting:
  - i. reports to the Board regarding its activities, findings and recommendations;
  - ii. makes Committee information available to any director upon request; and
- j) assist in maintaining effective working relationships between Committee members, reserves evaluators, reserves engineers, reserves auditors, all advisors engaged by the Reserves Committee, the Board, the Chief Executive Officer, executive officers and management.

Adopted and approved by the Board April 28, 2020.