



HILLCREST ENERGY TECHNOLOGIES LTD.

Suite 1910 – 1030 West Georgia Street
Vancouver, British Columbia Canada V6E 2Y3
Telephone Number: 604 609-0006/Fax Number: 778-379-0991

INFORMATION CIRCULAR

as at May 12, 2022
(except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of HILLCREST ENERGY TECHNOLOGIES LTD. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 29, 2022 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “we” and “our” refer to HILLCREST ENERGY TECHNOLOGIES LTD. “Common Shares” means the common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

Appointment of Proxyholders

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

Voting by Proxyholder

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

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

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

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company's transfer agent, Odyssey Trust Company ("Odyssey"), by 10:30 o'clock a.m. (Pacific Time) Monday, June 27, 2022 via fax at (800) 517-4553, or email a copy of the fully signed proxy to Odyssey at proxy@odysseytrust.com; or
- (b) use the internet through the website of the Company's transfer agent at <https://login.odysseytrust.com/pxlogin>. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays, and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

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

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

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

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada and in the United States. Broadridge mails a voting instruction form (a "**VIF**") in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you), in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with Broadridge's instructions, well in advance of the Meeting in order to have the Common Shares voted at the Meeting, or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares.**

Registered Shareholder sign up for electronic delivery of 2022 Annual Meeting proxy documents [

Odyssey Trust Company is mailing to the Company's Registered Shareholders an EMAIL CONSENT FORM with the mailing of the proxy form to Registered Shareholders, for completion by Registered Shareholders who wish to sign up for eDelivery. If any questions regarding the email consent form, please contact Odyssey Trust Company Attn: Securities Transfer via: www.odysseycontact.com or via fax 1.800.517.4553.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) and Canadian provincial securities laws. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this Information Circular has been prepared in accordance with the disclosure requirements of applicable Canadian provincial securities laws which differ from the disclosure requirements of United States federal securities laws. The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the BCBCA, certain of its directors and its executive officers are residents of Canada, and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by emailing the proxy bearing a later date to Odyssey at proxy@odysseytrust.com at any time up 10:30 o’clock a.m. (Pacific Time) Monday, June 27, 2022 or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder’s Common Shares.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or, otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed May 12, 2022 as the record date (the “**Record Date**”) for the determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is listed on the Canadian Securities Exchange under stock symbol “HEAT”. The Company also trades on the OTCQB based in the United States of America under the symbol “HLRTF” and on the Frankfurt Stock Exchange under the symbol FRA: 7HIA.F.

The authorized capital of the Company consists of an unlimited number of Common Shares. As of May 12, 2022, there were 323,074,095 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The Company is also authorized to issue an unlimited number of voting Preferred shares without par value, each carrying the right to one vote. At the date of this Information Circular, there are no Preferred shares issued or outstanding.

There are special rights and restrictions attached to the Common Shares and Preferred Shares as set out in the Articles of the Company.

To the knowledge of the directors and executive officers of the Company, as at May 12, 2022, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

FINANCIAL STATEMENTS

The consolidated audited financial statements of the Company for the Company’s financial years ended December 31, 2021 and December 31, 2020, the report of the auditor thereon and the related management’s discussion and analysis were filed under the Company’s SEDAR profile at www.sedar.com on April 8, 2022, which financial statements will be tabled at the Meeting and which will be available at the Meeting.

ELECTION OF DIRECTORS

There are currently seven directors of the Company. The Company has determined that the number of directors to be elected at the Meeting at seven. Shareholders are being asked to fix the number of directors to be elected at seven.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British Columbia) (“BCA”), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management’s seven nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 12, 2022.

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled ⁽⁴⁾
MICHAEL KRZUS ⁽¹¹⁾ Executive Chairman and Director Australia	Mr. Michael Krzus has been Executive Chairman of the Company since August 2015 and a Director since November 2013. He is a businessman and consultant across the energy sector. <i>Refer to Director Biographies below.</i>	Director Since November 26, 2013 Officer Since August 19, 2015	10,620,000 ⁽²⁾
DONALD J. CURRIE Chief Executive Office, President and Director British Columbia Canada	Mr. Donald Currie is the founding CEO of Hillcrest Energy. <i>Refer to Director Biographies below.</i>	Officer and Director Since July 10, 2010	19,595,813 ⁽³⁾
THOMAS G. MILNE ^(9,10) Director British Columbia Canada	Mr. Thomas Milne is a senior financial management executive with extensive international experience in energy E&P, pipelines, oil sands and communication technology. <i>Refer to Director Biographies below.</i>	Director Since November 1, 2012	1,233,333 ⁽⁴⁾

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled ⁽⁴⁾
ROBERT LAMBERT ^(9,10,14) Director United Kingdom	Mr. Lambert is currently Deputy Chairman of Jadestone Energy Plc. <i>Refer to Director Biographies below.</i>	Director Since December 15, 2017	1,848,500 ⁽⁵⁾
KYLIE DICKSON ^(9,11,12) Director British Columbia Canada	Ms. Dickson is a Canadian CPA, CA. <i>Refer to Director Biographies below.</i>	Director Since April 7, 2021	125,000 ⁽⁶⁾
DAVID FARRELL ⁽¹³⁾ Director British Columbia Canada	Mr. Farrell is a corporate director. <i>Refer to Director Biographies below.</i>	Director Since September 16, 2021	3,943,000 ⁽⁷⁾
MICHAEL MOSKOWITZ Director Ontario Canada	Mr. Moskowitz is currently founder and CEO of NorthStar Gaming and previously served as CEO and Chairman at Panasonic North America. <i>Refer to Director Biographies below.</i>	Director Since May 10, 2022	500,000 ⁽⁸⁾

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
2. Mr. Krzus holds a total of 2,000,000 stock options to purchase 2,000,000 common shares at an exercise price of \$0.24 expiring on April 8, 2026.
3. Mr. Currie holds a total of i) 1,300,000 stock options to purchase 1,300,000 common shares at an exercise price of \$0.05 expiring on July 8, 2025; ii) 2,000,000 stock options to purchase 2,000,000 common shares at an exercise price of \$0.24 expiring on April 8, 2026; iii) 500,000 warrants to purchase 500,000 common shares at a warrant exercise price of \$0.07 expiring on July 14, 2022; iv) 750,000 warrants to purchase 750,000 common shares at a warrant exercise price of \$0.25 expiring on January 5, 2023; and v) 250,000 warrants to purchase 250,000 common shares at a warrant exercise price of \$0.35 expiring on December 9, 2023.
4. Mr. Milne holds a total of i) 1,050,000 stock options to purchase 1,050,000 common shares at an exercise price of \$0.05 expiring on July 8, 2025; ii) 700,000 stock options to purchase 700,000 common shares at an exercise price of \$0.24 expiring on April 8, 2026; and iii) 300,000 warrants to purchase 300,000 common shares at a warrant exercise price of \$0.10 expiring on January 18, 2023.
5. Mr. Lambert holds a total of 700,000 stock options to purchase 700,000 common shares at an exercise price of \$0.24 expiring on April 8, 2026.
6. Ms. Dickson holds 500,000 stock options to purchase 500,000 common shares at an exercise price of \$0.24 expiring on April 8, 2026 and 125,000 warrants to purchase 125,000 common shares at a warrant exercise price of \$0.35 expiring on December 9, 2023.
7. Mr. Farrell holds i) 500,000 stock options to purchase 500,000 common shares at an exercise price of \$0.20 expiring on September 16, 2026; ii) 500,000 warrants to purchase 500,000 common shares at a warrant exercise price of \$0.25 expiring on January 5, 2023; and iii) 500,000 warrants to purchase 500,000 common shares at a warrant exercise price of \$0.35 expiring on December 9, 2023.
8. Mr. Moskowitz holds 600,000 stock options to purchase 600,000 common shares at an exercise price of \$0.24 expiring on May 19, 2026 and 700,000 stock options to purchase 700,000 common shares at an exercise price of

- \$0.20 expiring on August 30, 2026.
9. Member of Audit Committee.
 10. Member of Compensation, Corporate Governance & Nominating Committee.
 11. Member of the Reserves Committee.
 12. Chair of the Audit Committee.
 13. Chair of the Compensation, Corporate Governance & Nominating Committee.
 14. Chair of the Reserves Committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see above). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

Director Biographies

Michael Krzus, Chairman of the Board and Director

Mr. Michael Krzus is an engineer with 40 years of international energy industry experience as a director and executive in Australia, the United States, the Netherlands and Canada.

Prior to joining Hillcrest, Mr. Krzus was the founding CEO and Director of Emerald Oil Inc., an operating oil company listed on the New York Stock Exchange and was CEO and Managing Director of Emerald Oil and Gas NL, an oil and gas company listed on the Australian Stock Exchange.

During his previous career, including 22 years with Woodside Petroleum Ltd. and Shell, Mr. Krzus held various executive and management roles involving international oil and gas exploration and development, large scale LNG and gas to power projects, technology development and geothermal. Mr. Krzus also served as a director of the Australian CO2CRC, a collaboration between the Australian Government, industry and universities/research institutions to further CO2 carbon capture and storage research and applications.

Mr. Krzus holds a Bachelor of Science in Petroleum Engineering from Tulsa University, a Diploma in Oil and Gas Technology from the British Columbia Institute of Technology and is a Member of the Australian Institute of Company Directors.

Mr. Krzus is a Member of the Reserves Committee.

Donald J. Currie, Chief Executive Officer, President and Director

Mr. Donald Currie is the founding CEO of Hillcrest Energy Technologies Ltd. Wanting to create an organization that could leverage his 30+ years of energy experience and still benefit from entrepreneurial thinking, Mr. Currie took the reins of Hillcrest in February 2010.

Mr. Currie's success combines his reputation as a trusted relationship and business builder with decades of North American equity markets exposure and in the financing of public companies. Mr. Currie has been leading the Company's successful transition into clean energy technologies by identifying early-stage prospects and converting these into a portfolio of business growth opportunities.

Earlier in his career, Mr. Currie held various senior level positions including Director, Officer and VP of Corporate Communications with Enhanced Oil Resources Inc., an oil and gas exploration and production company based out of Houston, Texas. Prior to this, Don worked in other private and public ventures spanning the mining, gaming and technology sectors.

Thomas G. Milne, Independent Director

Mr. Thomas (Tom) Milne is a senior financial management executive with extensive international experience in energy E&P, pipelines, oil sands and communication technology. Mr. Milne's career roles include: chief financial officer, treasurer, investment banker, senior partner (CA firm) and foreign exchange trader. Mr. Milne has been a director of both public and private companies including chairman of the audit committee for an AMEX-listed oil sands company.

Mr. Milne is a Member of the Audit Committee and Compensation, Corporate Governance & Nominating Committee.

Robert Lambert, Independent Director

Mr. Robert Lambert is currently Deputy Chairman of Jadestone Energy Plc., Previously, Mr. Lambert was CEO of Petra Petroleum Inc from 2011 to 2015, Senior Independent Director of Eland Oil & Gas PLC from 2012 to 2015 and CEO of GB Petroleum Ltd from 2005 to 2010. Prior to that time, Mr. Lambert held a variety of executive management and senior operational roles with Conoco Inc. over a 25-year international career.

Mr. Lambert is Chair of the Reserves Committee and a Member of the Audit Committee and the Compensation, Corporate Governance & Nominating Committee.

Kylie Dickson, Independent Director

Ms. Kylie Dickson is a Canadian CPA, CA who has worked with companies throughout the mining lifecycle and played a pivotal role in multiple financings and M&A transactions. Ms. Dickson was most recently the Vice President of Business Development at Equinox Gold Corp. and, before that, VP, Business Development at Trek Mining. Ms. Dickson previously worked as Chief Financial Officer for JDL Gold Corp., Anthem United Inc. and Esperanza Resources, and served as the Corporate Controller of Minefinders Corporation.

Until March 2020, she was Vice-President, Business Development of Equinox Gold Corp. and previously held the position of Chief Financial Officer of several mineral exploration and mining companies. Prior to her work with public companies, Ms. Dickson was an audit manager in the mining group of a major audit firm.

Ms. Dickson is Chair of the Audit Committee and a Member of the Reserves Committee.

David Farrell, Independent Director

Mr. David Farrell is a corporate director with over 25 years of corporate and investment banking experience, and has negotiated, structured and closed more than US\$25 billion worth of M&A and structured financing transactions for global junior and mid-tier companies.

Previously, Mr. Farrell was President of Davisa Consulting, a private consulting firm working with global junior and mid-tier companies. Prior to founding Davisa, Mr. Farrell was Managing Director, Mergers & Acquisitions at Endeavour Financial working in Vancouver and London. Prior to Endeavour Financial, Mr. Farrell was a lawyer at Stikeman Elliott, working in Vancouver, Budapest and London. Mr. Farrell has also served for 12 years as a board and finance committee member of Yaletown House, a non-profit, critical-care seniors' residence in downtown Vancouver.

Mr. Farrell graduated from the University of British Columbia with a B.Comm. (Honours, Finance) and an LL.B. and has received the ICD.D designation from U of T Rotman School of Management and the Institute of Corporate Directors.

Mr. Farrell is Chair of the Compensation, Corporate Governance & Nominating Committee.

Michael Moskowitz, Independent Director

A veteran technology executive, Michael Moskowitz has more than 25 years of leadership experience in the consumer, communications, and technology industries. Mr. Moskowitz has led various companies through business and growth strategies as a leading provider of integrated technology solutions for businesses, government agencies and consumers across the region.

Before co-founding NorthStar Gaming (Ontario) Inc., Mr. Moskowitz served as CEO and Chairman at Panasonic North America. During his tenure at Panasonic Mr. Moskowitz also held roles as President of Panasonic Canada, and Panasonic Consumer Electronics Company USA where he focused on strategic growth, profitability and diversification including expanding Panasonic's offerings for B2B customers. Mr. Moskowitz also served as President and CEO of satellite radio operator XM Canada, and President, Americas International of Palm Inc. where he managed Canada, Latin America and the Caribbean region through a period of extensive growth.

In 2021, Mr. Moskowitz joined Hillcrest Energy Technologies Ltd. as Strategic Advisor. Mr. Moskowitz was previously named one of Canada's Top 40 Under 40, an award presented to exceptional leaders in their chosen fields who are shaping the country's future. Mr. Moskowitz is a member of the Board of Industry Leaders of the Consumer Technology Association, and a member of the Young Presidents Organization, the premier leadership organization of chief executives in the world. Mr. Moskowitz is a former Board member of Mobilicity, Hussmann Corporation and Panasonic Avionics Corporation.

Cease Trade Orders and Bankruptcy

Except as disclosed below, within the last 10 years before the date of this Information Circular no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;
- (b) 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 the securities legislation, for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) subject to 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Exception

Thomas G. Milne

Thomas G. Milne was a Director of Sefton Resources, Inc. ("**Sefton**"), a company listed on AIM (London Stock Exchange) when an Order was issued November 13, 2015. The United States Bankruptcy Court for the District of Colorado, The Honorable Michael E. Romero ordered that the Involuntary Bankruptcy Petition against Sefton be dismissed with prejudice. The Court also awarded Sefton its legal fees and costs to be paid by the Plaintiffs, as well as punitive damages. The Court, in awarding costs and damages, found that the Plaintiffs acted in bad faith.

Advance Notice Provision

At the Company's annual general and special meeting held on July 14, 2014, the shareholders of the Company approved the alteration of the Company's Articles, to include advance notice provisions (the "**Advance Notice Provision**"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the *Business Corporations Act* (British Columbia).

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Articles of the Company were SEDAR filed on January 5, 2015 and can be accessed under the Company's SEDAR corporate profile at www.sedar.com.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE “FOR” THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.

APPOINTMENT OF AUDITOR

At the Meeting, DeVisser Gray LLP, Chartered Professional Accountants, located at 401-905 West Pender Street, Vancouver, British Columbia Canada V6C 1L6, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company. DeVisser Gray LLP has been the Company’s auditor since March 26, 2020.

Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the appointment of DeVisser Gray LLP, Chartered Professional Accountants, as auditor of the Company until the close of the next annual general meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee’s Charter

The Company adopted a new Audit Committee Charter on August 26, 2021. The Company’s Audit Committee Charter is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The current members of the Audit Committee are Kylie Dickson (Chair), Thomas G. Milne and Robert Lambert. Kylie Dickson, Thomas G. Milne and Robert Lambert are all independent members of this Committee. All three members of the Audit Committee are considered to be financially literate.

The primary function of the Audit Committee is to assist the board of directors of the Company in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by the senior officers of the Company (“Management”) and the Company’s internal and external audit process and monitoring compliance with the Company’s legal and regulatory requirement with respect to its financial statements.

Relevant Education and Experience

Kylie Dickson, Thomas G. Milne and Robert Lambert have many years of practical business experience and have served for many years as directors of public companies, have experience reviewing financial statements of public companies and meet the criteria of “financially literate” as outlined in NI 52-110. Refer to “**Director Biographies**” above.

Audit Committee Oversight

At December 31, 2021, the Audit Committee did not make any recommendations to the Board to nominate or compensate any auditor other than DeVisser Gray LLP.

Reliance on Certain Exemptions

At December 31, 2021 the Company’s auditor, DeVisser Gray LLP, did not provide any material non-audit services.

Pre-Approval Policies and Procedures

Refer to the Company’s Audit Committee Charter attached as Schedule “A” to this Information Circular, for specific policies for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by De Visser Gray LLP to ensure auditor independence. Fees incurred with De Visser Gray LLP, for audit and non-audit services in the last two fiscal years ended December 31, 2021 and December 31, 2020 for audit fees are outlined in the following table:

Nature of services	Fees paid to DeVisserGray LLP for year ended December 31, 2021.	Fees paid to DeVisserGray LLP for year ended December 31, 2020.
Audit fees ⁽¹⁾	\$32,000 (Estimated)	\$42,500
Audit-related fees ⁽²⁾	\$Nil	\$Nil
Tax fees ⁽³⁾	\$3,500 (Estimated)	\$3,500
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$35,500	\$46,000

Notes:

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

Exemption

The Company is relying on the exemption provided in section 6.1 of NI 52-110 *Audit Committees* as the Company is a "venture issuer" and is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the Company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Company's board of directors (the "Board") is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

The Board facilitates its independent supervision over management by ensuring a majority of the Board are not officers of the Company.

The current independent members of the Board are Thomas G. Milne, Robert Lambert, Kylie Dickson, David Farrell and Michael Moskowitz. Michael Krzus (Executive Chairman) and Donald J. Currie (CEO and President) are non-independent directors of the Board.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgement.

Board Mandate

The Board adopted a Mandate of the Board of Directors on October 18, 2021. A copy of the Board Mandate can be accessed on the Company’s corporate website at hillcrestenergy.tech/about-us/corporate-governance/.

The Board Mandate facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board will have access to the Company’s external auditors, legal counsel and to any of the Company’s officers.

The Board will have a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Company will be delegated by the Board to the senior officers of the Company. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

To facilitate open and candid discussion among its independent directors, such directors will be encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Company.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees.

The Board recommends nominees to the shareholders for election as directors. Immediately following each annual general meeting, the Board is to appoint an Audit Committee and the chairperson of the Audit Committee. The Board establishes and periodically reviews and updates the Audit Committee mandates, duties and responsibilities, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and the President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the CEO and the President. The Board will give direction and guidance through the CEO to management and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board believes management is responsible for the effective, efficient and prudent management of the Company’s day-to-day operations subject to the Board’s stewardship. The CEO is responsible to lead and manage the Company within parameters established by the Board and its committees. The CEO also develops and recommends strategic plans to the Board and involves the Board in the early stages of developing such strategic plans. Additionally, the CEO is expected to successfully implement capital and operating plans, report regularly to the Board on the overall progress and results against the operating and financial objectives and initiate courses of action for improvement and develop and maintain a sound, effective organizational structure, including progressive employee training and development programs. The CEO’s objectives will be discussed and reviewed at least annually with the Board.

The CEO is expected to set Board meeting schedules and agendas and oversee the process whereby the Board receives full, timely and relevant information to support the Board’s decision-making obligations. The chairperson of each Board committee is expected to be responsible for ensuring that any written mandate of the committee for which he or she serves as chairperson is adhered to and that the objectives of each committee are accomplished.

Directorships

The directors who are currently serving on boards of other reporting companies (or equivalent) are set out below:

Name	Name of Reporting Issuer	Name of Exchange or Market
Robert Lambert	Jadestone Energy Plc.	LSE
Kylie Dickson	Fortuna Silver Mines Inc.	TSX/NYSE
	Star Royalties Ltd.	TSXV
David Farrell	Elevation Gold Mining Corporation	TSXV
	Fortuna Silver Mines Inc.	TSX/NYSE
	Luminex Resources Corp.	TSXV

Compensation, Corporate Governance & Nominating Committee

A Compensation, Corporate Governance & Nominating Committee Charter was adopted by the Board effective August 28, 2021. This Charter can be accessed on the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/. The current members of the Company's Compensation, Corporate Governance & Nominating Committee are: David Farrell (Chair), Thomas G. Milne and Robert Lambert.

Nomination of Directors

In fulfilling its oversight responsibilities for the nominations to the Board, the Compensation, Corporate Governance & Nominating Committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Corporate Governance & Nominating Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

The Company does not provide a formal orientation and education program for new directors of the Company. However, any new directors will be given the opportunity to: (a) familiarize themselves with the Company, the current directors and members of management; (b) review copies of recently publicly filed documents of the Company, technical reports and the Company's internal financial information; (c) have access to technical experts and consultants; and (d) review a summary of significant corporate and securities legislation. Directors are also given the opportunity for continuing education.

Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business.

In fulfilling its oversight responsibilities for the nominations to the Board, the Compensation, Corporate Governance & Nominating Committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate's integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any

candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate's compliance with the independent and other qualification requirements established by the Compensation, Corporate Governance & Nominating Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Accordingly, the Board has adopted a Code of Business Conduct and Ethics and Whistle-Blower Policy (the "Code") which is available on the Company's website at hillcrestenergy.tech/about-us/corporate-governance/. In addition, the Board must comply with conflict of interest provisions in Canadian corporate law, including 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 executive officer has a material interest.

In order to monitor compliance with the Code and provide an avenue for stakeholders (employees, officers, directors, suppliers, and customers) to raise concerns and be reassured that they will be protected from reprisals or victimization for whistle-blowing in good faith, the Board has also adopted a whistle-blower policy establishing the procedure for the receipt and treatment of reports by the Company, on a confidential or anonymous basis, regarding accounting, internal controls, auditing matters, disclosure, fraud and unethical business practices, whether submitted by Company employees or third parties. Reports are reviewed by the Company's Audit Committee.

Reserves Committee and Reserves Committee Charter

The Board adopted a Reserves Committee Charter effective April 28, 2020, which can be accessed under the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/. The current members of the Reserves Committee are Robert Lambert (Chair), Michael Krzus and Kylie Dickson. The purpose of the Reserves Committee is to assist the Board in the discharge of the Board's duties to complying with the requirements contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*. The Reserves Committee's general mandate is to oversee and monitor the Company's process for calculating the reserves and procedures for compliance with applicable legislation and conformity with industry standards and disclosure of information. It reviews, reports and, when appropriate, makes recommendations to the Board on the Company's policies and procedures related to the Company's reserves estimates.

Other Board Policies and Assessments

Diversity, Equity and Inclusion Policy

The Board adopted a Diversity, Equity and Inclusion Policy effective August 26, 2021, which can be accessed under the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/. The policy promotes diversity in the workplace by respecting and appreciating differences in gender, age, ethnic origin, religion, education, sexual orientation, political belief or disability. At Hillcrest, we respect and value the perspectives, experiences, cultures and essential differences that our Board, management and employees possess.

The Company currently has two executive officers who are women and has one female director. Women comprise 50% of the executives and 20% of non-independent directors on the Board.

We strive to meet or exceed all reasonable stakeholder expectations and to be the company of choice as a great place to work. We are successful at both because we recruit, retain, reward and develop our people based upon their abilities and contributions. Hillcrest does not condone engagement in actions that would violate any anti-discrimination, equal employment or other laws and regulations.

The Board is committed to fostering a diverse workplace environment where:

- individual differences and opinions are heard and respected;
- employment opportunities are based on the qualifications required for a particular position at a particular time, including training, experience, performance, skill and merit; and
- inappropriate attitudes, behaviors, actions and stereotypes are not tolerated and will be addressed and eliminated.

The Board proactively monitors company performance in meeting the standards outlined in the Diversity, Equity & Inclusion Policy.

Blackouts and Securities Trading Policy

The Board adopted a Blackouts and Securities Trading Policy effective October 18, 2021, which can be accessed under the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/. The purpose of this Policy is to encourage all employees, officers and directors to become shareholders of the Company on a long-term investment basis. These individuals will from time to time become aware of corporate developments or plans or other information that may affect the value of the Company's securities before these developments, plans or information are made public. Trading securities of the Company while in possession of such information before it is generally disclosed (known as "**insider trading**") or disclosing such information to third parties before it is generally disclosed (known as "**tipping**"), is against the law and may expose an individual to criminal prosecution or civil lawsuits. Such action will also result in a lack of confidence in the market for the Company's securities, harming both the Company and its shareholders. Accordingly, the Company has established this Policy to assist its employees, consultants, officers and directors in complying with the prohibitions against insider trading and tipping.

The CEO may designate from time to time an Insider Trading Administrator for the purpose of administering this Policy.

Privacy Policy

The Board adopted a Privacy Policy effective August 26, 2021, which can be accessed under the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/. This Policy has been prepared by the Company and sets out the manner in which the Company collects, uses, discloses and otherwise manages personal information, including the privacy practices on the Company's website: www.hillcrestenergy.tech.

Disclosure Policy

The Board adopted a Disclosure Policy effective October 18, 2021 which can be accessed under the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/. This Disclosure Policy was adopted in order to ensure that communications to the public regarding the Company, whether oral or written and including the Company's website and social media disclosures, are timely, factual, accurate, complete and broadly disseminated and, where necessary, filed with the regulators in accordance with applicable securities laws.

Board and Committee Assessments

The Compensation, Corporate Governance & Nominating Committee annually assesses the effectiveness of the Board and how well it is meeting its objectives, and the performance of individual directors. In addition, each Committee conducts an annual assessment of the effectiveness of such Committee and its Chair.

The assessments are conducted through written questionnaires completed by the Committee members. The questionnaires include, as applicable, a Board appraisal, an evaluation of each director's performance, a Committee self-appraisal on responsibility and effectiveness, and an evaluation of the Committee Chair. The Committees then report the results of their reviews to the Board.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of the below disclosure:

"**compensation securities**" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief executive officer ("CEO"), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer ("CFO"), including an individual performing functions similar to a CFO;
- (c) in respect of the company and its subsidiaries, the 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, as determined in accordance with Form 51-102F6V *Statement of Executive Compensation - Venture Issuers*, for that financial year;

- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

DIRECTOR AND NAMED EXECUTIVE COMPENSATION

During financial year ended December 31, 2021, based on the definition above, the NEOs of the Company were: Michael Krzus, Executive Chairman and director, Donald J. Currie, Chief Executive Officer, President and director, Raj Clair, Chief Financial Officer, and Aaron Triplett, former Chief Financial Officer and Corporate Secretary. The directors who were not NEOs during the financial year ended December 31, 2021, were Thomas Milne, David M.R. Stone, Robert Lambert, Kylie Dickson and David Farrell.

During financial year ended December 31, 2020, based on the definition above, the NEOs of the Company were: Michael Krzus, Executive Chairman and director, Donald J. Currie, Chief Executive Officer and director, and Aaron Triplett Chief Financial Officer and Corporate Secretary. The directors who were not NEOs during the financial year ended December 31, 2020, were Thomas Milne, David M.R. Stone and Robert Lambert.

Table of Compensation, Excluding Compensation Securities in Financial Years ended December 31, 2021 and December 31, 2020

The following table of compensation, excluding options and other compensation securities, provides a summary of the compensation paid by the Company to NEOs and directors of the Company who were not NEOs for the completed financial years ended December 31, 2021 and December 31, 2020. Options and other compensation securities are disclosed under the heading “**Stock Options and Other Compensation Securities**” of this Information Circular.

<u>Table of compensation excluding compensation securities</u>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Michael Krzus ⁽¹⁾ Executive Chairman and Director	2021	\$188,125	\$40,000 ⁽¹¹⁾	Nil	Nil	Nil	\$228,125
	2020	\$87,424	Nil	Nil	Nil	Nil	\$87,424
Donald J. Currie ⁽²⁾ CEO, Director and former Chairman	2021	\$188,125	\$40,000	Nil	Nil	Nil	\$228,125
	2020	\$190,000	Nil	Nil	Nil	Nil	\$190,000
Aaron Triplett ⁽³⁾ Former CEO and Corporate Secretary	2021	\$50,000	Nil	Nil	Nil	Nil	\$50,000
	2020	\$60,000	Nil	Nil	Nil	Nil	\$60,000
Raj Clair ⁽⁴⁾ CFO	2021	\$53,942	\$7,500 ⁽¹¹⁾	Nil	Nil	Nil	\$61,442
	2020	N/A	N/A	N/A	N/A	N/A	N/A
David M.R. Stone ⁽⁵⁾ Former Director	2021	\$11,458	Nil	Nil	Nil	Nil	\$11,458
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Thomas J. Milne Director	2021	\$18,750	Nil	Nil	Nil	Nil	\$18,750
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Robert Lambert Director	2021	\$15,000	Nil	Nil	Nil	Nil	\$15,000
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Kylie Dickson ⁽⁶⁾ Director	2021	\$21,564	Nil	Nil	Nil	Nil	\$21,564
	2020	N/A	N/A	N/A	N/A	N/A	N/A
David Farrell ⁽⁷⁾ Director	2021	\$8,333	Nil	Nil	Nil	Nil	\$8,333
	2020	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Krzus was appointed Executive Chairman of the Company on August 19, 2015.
- (2) Mr. Currie was appointed CEO and a director of the Company on July 10, 2010, and was appointed President of the Company on September 16, 2021.
- (3) Mr. Triplett served as the CFO and Corporate Secretary of the Company from January 1, 2020 to August 31, 2021.
- (4) Ms. Clair was appointed the CFO of the Company on September 1, 2021.
- (5) David M.R. Stone served as a director of the Company from July 18, 2007 to September 16, 2021.
- (6) Kylie Dickson was appointed a director of the Company on April 9, 2021.
- (7) David Farrell was elected a director of the Company on September 16, 2021.

Oversight and Description of Director and NEO Compensation

As referenced in this Information Circular, a Compensation, Corporate Governance & Nominating Committee Charter was adopted by the Board effective August 28, 2021. This Charter can be accessed on the Company's corporate website at hillcrestenergy.tech/about-us/corporate-governance/

Elements of the Compensation Program

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary ("**Base Salary**"), an incentive compensation plan ("**Incentive Compensation**") and equity compensation (the "**Equity Compensation**") designed to be competitive with comparable employers. In considering executive management's compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company's shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company's NEOs, including the CEO and the CFO is determined by the Company's Corporate Governance & Nominating Committee and approved by the Board. The Compensation, Corporate Governance & Nominating Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation, Corporate Governance & Nominating Committee delegates to the CEO the responsibility to set the compensation packages for all other senior management and staff other than the CEO and CFO.

The Compensation, Corporate Governance & Nominating Committee is responsible for executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation program, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The Compensation, Corporate Governance & Nominating Committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company's senior management. The Compensation, Corporate Governance & Nominating Committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

Philosophy and Objectives

The Company is a junior exploration and production company with limited resources and sales that are greatly impacted by oil and gas commodity prices. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its Option Plan (described below) and its RSU Plan (described below). Recommendations for senior management compensation are presented to the Board for review.

Base Salary or Consulting Fees

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Base salary ranges for the executive officers are determined upon a review of companies, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the oil producing industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Related Party Transactions

Financial Year ended December 31, 2021

The following summarizes the Company's related party transactions during the years ended December 31, 2021 and 2020. Key management personnel included the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and directors and officers and companies controlled or significantly influenced by them:

Key management compensation

	Year Ended	
	December 31, 2021	December 31, 2020
	(\$)	(\$)
Management salaries, consulting fees and bonuses paid or accrued to officers or corporations controlled by officers of the Company	873,987	415,301
Director fees paid or accrued to directors	92,606	-
Share-based compensation	4,450,914	271,706
	<u>5,417,507</u>	<u>687,007</u>

- a) As at December 31, 2021, the Company was owed \$Nil (December 31, 2020 - \$129,805) from the Chief Executive Officer.
- b) As at December 31, 2021, the Company had accrued \$107,500 (December 31, 2020 - \$Nil) in bonuses that were payable to the Company's Executive Chairman, Chief Technology Officer, Chief Operating Officer and Chief Financial Officer, which were paid out in 2022

Also refer to note 9 in the Company's consolidated financial statements for the years ended December 31, 2021 and December 31, 2020.

Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board considers executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan and its restricted share unit plan. Stock options and RSUs are granted to executives and employees taking into account a number of factors, including the amount and term of Options and RSUs previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options and RSUs granted are determined by the Compensation, Corporate Governance & Nominating Committee based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of Option and RSU grants to maintain executive motivation.

Compensation Review Process

Risks Associated with the Company's Compensation Program

The Company's directors consider the risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to further formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

The Company did not retain a compensation consultant during financial year ending December 31, 2021.

Benefits and Perquisites

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its directors and NEOs other than potential grants of Options and RSUs as otherwise disclosed and discussed herein.

Hedging by Directors or NEOs

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. The Company is not, however, aware of any directors or officers having entered into this type of transaction

As of the date of this Information Circular, entitlement to grants of Options under the Company's share option plan and RSUs under the Company's restricted share unit plan are the only equity security elements awarded by the Company to its executive officers and directors.

Stock Options and Other Compensation Securities

10% "rolling" Stock Option Plan (Option-Based Awards)

The Company has in place a 10% "rolling" stock option plan which was approved for adoption by the shareholders of the Company at the Company's September 16, 2021 annual general meeting (the "**Option Plan**") A copy of the Option Plan is attached as Schedule "B" to the Information Circular dated August 10, 2021 and can be accessed under the Company's SEDAR corporate website at www.sedar.com.

There are currently 16,350,000 issued and outstanding stock options at the date of this Information Circular.

The Option Plan provides for a total of 10% of the issued and outstanding Common Shares available for issuance thereunder.

The purpose of the Option Plan is to allow the Company to grant stock options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such stock options (“Options”) is intended to align the interests of such persons with that of the Company’s shareholders.

Material Terms to the Option Plan

The following information is intended to be a brief description of the Option Plan and is qualified in its entirety by the full text of the New Stock Option Plan:

- (1) persons who are consultants to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of Options under the Option Plan;
- (2) Options granted under the Option Plan are non-assignable, and non-transferable;
- (3) an Option granted to any consultants will expire within 30 days after the date the Option Holder (as defined in the Option Plan) ceases to be employed by or provide services to the Company unless the Option Holder ceases to hold such position as a result of (i) termination for cause; (ii) resigning his or her position; or (iii) an order made by any regulatory authority having jurisdiction to so order, in which case the expiry date of the date the Option Holder ceases to hold such position;
- (4) if an Option Holder dies, any Options held by such Option Holder shall pass to the personal representative of the Option Holder and shall be exercisable by the personal representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date;
- (5) the exercise price of each Option will be set by the Board on the effective date of the Option and will not be less than the Market Value (as defined in the New Stock Option Plan); and
- (6) the vesting schedule for an option, if any, shall be determined by the Board and shall be set out in the Option Certificate (as defined in the Option Plan) issued in respect of the Option.

10% “rolling” Restricted Share Unit Plan (Share-Based Awards)

The Company has in place a 10% “rolling” stock option plan which was approved for adoption by the shareholders of the Company at the Company’s September 16, 2021 annual general meeting (the “RSU Plan”). A copy of the RSU Plan is attached as Schedule “C” to the Information Circular dated August 10, 2021 and can be accessed under the Company’s SEDAR corporate website at www.sedar.com.

There are currently 2,387,500 issued and outstanding restricted share units at the date of this Information Circular.

The maximum number of Common Shares made available for issuance pursuant to the RSU Plan shall be determined from time to time, subject to adjustments as provided in the RSU Plan. The RSU Plan is a “rolling” plan and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

The RSU Plan is a plan which reserves for the grant of RSUs to a maximum of 10% of the issued and outstanding common shares. The New RSU Plan is a “rolling plan” and therefore when RSUs are cancelled (whether or not upon payment with respect to vested RSUs) or terminated, Common Shares shall automatically be available for issuance pursuant to the RSU Plan.

The purpose of the RSU Plan is to provide the Company with a share related mechanism to enable the Company to attract, retain and motivate qualified directors, officers, employees and other service providers, to reward directors, officers, employees and other service providers for their contribution toward the long term goals of the Company and to enable and encourage such individuals to acquire shares of the Company as long term investments.

Material Terms to the RSU Plan

The following information is intended to be a brief description of the RSU Plan and is qualified in its entirety by the full text of the RSU Plan:

The common shares reserved for issuance under the RSU Plan will not be deducted from the number of common shares issuable under the Company’s Option Plan. However, the percentage limitations on insiders (as a group), on any one

eligible persons and on consultants apply to the RSU Plan and the Option Plan in aggregate. For insiders (as a group), subject to approval by disinterested shareholders of the Company or other requirements of applicable CSE Exchange Policies, (i) the aggregate number of common shares reserved for issuance under the RSU Plan, the Option Plan and any other share based compensation arrangements for insiders (as a group) at any point in time may not exceed 20% of the issued and outstanding common shares from time to time, and (ii) the maximum number of RSUs and Options that may be granted to insiders (as a group) under the RSU Plan, the Option Plan, together with any other share based compensation arrangements, within a 12-month period, may not exceed 20% of the issued and outstanding common shares calculated on the grant or award date. Subject to this 20% limitation, with the RSU Plan and the Option Plan available, the Company will have the flexibility to grant and award insiders any combination of RSUs and options as appropriate and determined by the Company.

All Directors, Employees and Consultants (as defined in the RSU Plan) of the Company and its related entities (“**Eligible Persons**”) are eligible to participate in the New RSU Plan (as “**Participants**”), though the Company reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the RSU Plan at any time. Eligibility to participate in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

Subject to certain restrictions, the Compensation and Corporate Governance Committee (the “Committee”) can, from time to time, award RSUs in its discretion to any Eligible Persons. RSUs will be credited to an account maintained for each Participant on the books of the Company as of the award date. The number of RSUs to be credited to each Participant's account in respect of a fiscal year shall be determined by dividing: (a) the dollar amount of the portion of the Participant's compensation which the Committee, in its sole discretion, determines to be paid as RSUs; by (b) the Fair Market Value (as defined in the New RSU Plan) per Common Share on the award date.

Any fractional RSUs resulting from such calculations shall be rounded to the nearest whole number. For greater certainty, a fractional entitlement that is equal to or greater than 0.5 shall be rounded up to the next greater whole number and a fractional entitlement that is less than 0.5 shall be rounded down to the next lesser whole number.

The RSUs shall have a term, which shall be determined by the Committee on the date of award of the RSUs, which term shall not exceed ten years from the award date.

Each award of RSUs vests on the date(s) and/or the satisfaction of the Performance Criteria (each a “**Vesting Date**”) specified by the Committee on the award date and reflected in the applicable Award Notice (as defined in the RSU Plan).

Outstanding Compensation Securities

The following table sets forth incentive stock options under the Company’s Share Option Plan (option-based awards) and restricted share units under the Company’s Restricted Share Unit Plan (share-based awards) that were outstanding to NEOs and directors of the Company as at December 31, 2021.

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (y/m/d)	Issue, conversion or exercise price (\$) ⁽¹⁾	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (y/m/d)
Donald J. Currie ⁽¹⁾ CEO, President and Director	Options	1,300,000 8%	2020-07-08	\$0.050	\$0.050	\$0.185	2025-07-08
	RSUs	2,000,000 12%	2021-04-08	\$0.240	\$0.240	\$0.185	2026-04-08
		750,000 12%	2021-12-10	N/A	\$0.195	\$0.185	N/A
Michael Krzus ⁽²⁾ Executive Chairman and Director	Options	2,000,000 12%	2021-04-08	\$0.240	\$0.240	\$0.185	2026-04-08
	RSUs	750,000 12%	2021-12-10	N/A	\$0.195	\$0.185	N/A

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant (y/m/d)	Issue, conversion or exercise price (\$) ⁽¹⁾	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date (y/m/d)
Raj Clair ⁽³⁾ CFO	Options	500,000 3%	2021-08-30	\$0.200	\$0.200	\$0.185	2026-08-30
	RSUs	112,500 2%	2021-12-10	N/A	\$0.195	\$0.185	N/A
David M.R. Stone former Director	Options	800,000 5%	2020-07-08	\$0.050	\$0.050	\$0.185	2025-07-08
		700,000 4%	2021-04-08	\$0.240	\$0.240	\$0.185	2026-04-08
Thomas J. Milne Director	Options	1,050,000 6%	2020-07-08	\$0.050	\$0.050	\$0.185	2025-07-08
		700,000 4%	2021-04-08	\$0.240	\$0.240	\$0.185	2026-04-08
Robert Lambert Director	Options	700,000 4%	2021-04-08	\$0.240	\$0.240	\$0.185	2026-04-08
Kylie Dickson Director	Options	500,000 3%	2021-04-08	\$0.240	\$0.240	\$0.185	2026-04-08
David Farrell Director	Options	500,000 3%	2021-09-16	\$0.200	\$0.200	\$0.185	2026-09-16

Notes:

- (1) Mr. Currie redeemed 750,000 RSUs on April 13, 2022.
- (2) Mr. Krzus redeemed 750,000 RSUs on April 13, 2022.
- (3) Ms. Clair redeemed 112,500 RSUs on April 13, 2022.

Exercise of Compensation Securities by NEOs and Directors

The following table sets out each exercise by a director or NEO of compensation securities during the financial year ended December 31, 2021:

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Donald J. Currie CEO, President and Director	RSUs	4,000,000	N/A	04/13/21	\$0.370	\$0.370	\$1,480,000
Michael Krzus Executive Chairman and Director	Options	1,300,000	\$0.050	03/09/21	\$0.235	\$0.185	\$240,500
	RSUs	4,000,000	N/A	04/13/21	\$0.370	\$0.370	\$1,480,000
David Farrell Director	Options	350,000	\$0.050	05/04/21	\$0.20	\$0.15	\$52,500
	RSUs	500,000	N/A	05/05/21	\$0.20	\$0.20	\$100,000

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Aaron Triplett former CFO and former Corporate Secretary	Options	600,000	\$0.050	09/08/21	\$0.175	\$0.125	\$75,000
Robert Lambert Director	Options	300,000	\$0.050	05/14/21	\$0.200	\$0.150	\$45,000
	Options	800,000	\$0.050	05/14/21	\$0.200	\$0.150	\$120,000
	RSUs	400,000	N/A	04/13/21	\$0.370	\$0.370	\$148,000
David M.R. Stone former Director	Options	350,000	\$0.050	03/08/21	\$0.220	\$0.170	\$59,500
	RSUs	400,000	N/A	04/13/21	\$0.370	\$0.370	\$148,000
Tom Milne Director	RSUs	400,000	N/A	04/13/21	\$0.370	\$0.370	\$148,000

Employment, Consulting and Management Agreements

The Company has an employment agreement with Raj Clair, Chief Financial Officer, summarized below:

Executive Employment Agreement effective July 21, 2021, with Raj Clair to serve as the Company's CFO for a base salary of \$120,000 per annum plus eligibility to participate in the Company's benefits plan and Incentive Plans. If Ms. Clair's employment is terminated without just cause, she will be entitled to 1 months' notice or base salary in lieu of such notice, plus one additional months' notice or base salary in lieu of notice for each year of completed service up to a maximum of 12 months' notice with unvested and awarded incentive compensation under the Company's Investment Plans vesting immediately.

Pension Disclosure

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has two equity compensation plans approved by shareholders of the Company: i) the Company's 10% rolling Share Option Plan and ii) the Company's 10% rolling RSU Plan.

Equity Compensation Plan Information

The following table sets out equity compensation plan information as at December 31, 2021.

	Number of securities to be issued upon exercise of outstanding options and RSUs	Weighted-average exercise price of outstanding options and RSUs	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders – Share Option Plan and RSU Plan	16,450,000 options 6,100,000 RSUs	\$0.19 \$0.20 FV	15,465,943 Options 25,815,943 RSUs
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	16,450,000 options 6,100,000 RSUs		15,465,943 Options 25,815,943 RSUs

Note: The Share Option Plan and RSU Plan represents the limitation of 10% of the issued and outstanding Common Shares as at December 31, 2021.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as set out in this Information Circular, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out in this Information Circular, to the knowledge of management of the Company, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any interest, direct or indirect, in any transaction since the commencement of the Company's financial year ended December 31, 2021 or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

“**Informed Person**” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

June 30, 2021 Voluntary Early Warrant Exercise Program

The Company closed a voluntary early warrant exercise program with 29,563,000 warrants at a unit price of \$0.10 for gross proceeds of \$2,956,300, with a one-half warrant to purchase a total of 14,784,000 warrants at a warrant exercise price of \$0.35 expiring on January 5, 2023. The following Insiders of the Company participated in the warrant exercise program: 1) Donald Currie (1,500,000 warrants); and 2) David Farrell (1,000,000 warrants).

December 8, 2021 Non-Brokered Private Placement

The Company closed a non-brokered private placement for the purchase of 18,164,500 units at a unit price of \$0.20, with a whole warrant to purchase a total of 18,164,500 warrants at a warrant exercise price of \$0.35 with 14,425,000 warrants expiring on December 9, 2023 and 3,739,500 warrants expiring on December 17, 2023. The following Insiders of the Company purchased units in this private placement: 1) Donald Currie (250,000 units); 2) Kylie Dickson (125,000 units); 3) David Farrell (250,000 units) and 4) Jamie Hogue, Chief Operating Officer (50,000 units).

MANAGEMENT CONTRACTS

Other than as set out in this Information Circular, there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

ADDITIONAL INFORMATION

Additional information concerning the Company is available through the Internet on SEDAR which may be accessed under the Company's SEDAR profile at www.sedar.com or may be obtained by a Shareholder upon request without charge from the Company; Vancouver office located at Suite 1910 - 1030 West Georgia Street, Vancouver, British Columbia, Canada by contacting the Company at telephone number: 604 609-0006/fax number: 778-379-0991. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

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

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, May 18, 2022.

BY ORDER OF THE BOARD

"Donald J. Currie"

Donald J. Currie
Chief Executive Officer

**SCHEDULE “A”
HILLCREST ENERGY TECHNOLOGIES LTD.**

Audit Committee Charter

PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors of the Company (the “**Board**”) in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems established by the senior officers of the Company (“**Management**”) and the Company’s internal and external audit process and monitoring compliance with the Company’s legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to maintain an open communication between the Company’s external auditors and the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company’s financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of Management.

RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board hereby delegates to the Audit Committee the following powers and duties to be performed by the Audit Committee on behalf of and for the Board. Nothing in this Charter is intended to or does confer on any member a higher standard of care or diligence than that which applies to the directors as a whole.

EXTERNAL AUDITORS

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with Management.

The external auditors shall report directly to the Audit Committee.

Also, the Audit Committee:

- a. recommends to the Board:
 - i. whether the current external auditors should be nominated for reappointment for the ensuing year and if applicable, select and recommend a suitable alternative for nomination; and
 - ii. the amount of compensation payable to the external auditors;
- b. resolves disagreements, if any, between Management and the external auditors regarding financial reporting;
- c. provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable;
- d. takes reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company’s subsidiaries, if any;
- e. confirms that the external auditors are a ‘participating audit’ firm for the purpose of National Instrument 52-108 *Auditor Oversight* and are in compliance with governing regulations;
- f. reviews the plan and scope of the audit to be conducted by the external auditors of the Company;
- g. reviews and evaluates the performance of the external auditors; and
- h. reviews and approves the Company’s hiring policy regarding partners, employees and former partners and employees of the Company’s present and former external auditors.

AUDIT AND REVIEW PROCESS AND RESULTS

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee:

- a. considers the scope and general extent of the external auditors' review, including their engagement letter and major changes to the Company's auditing and accounting principles and practices;
- b. consults with management regarding the sufficiency of the Company's internal system of audit and financial controls, internal audit procedures and results of such audits;
- c. ensures the external auditors have full, unrestricted access to required information and have the cooperation of management;
- d. reviews with the external auditors the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles;
- e. reviews with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements;
- f. reviews the appropriateness and disclosure of any off-balance sheet matters;
- g. reviews disclosure of related-party transactions;
- h. receives and reviews with the external auditors, the external auditors' audit report and the audited financial statements;
- i. makes recommendations to the Board respecting approval of the audited financial statements;
- j. meets with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting, adequacy of disclosure controls and procedures, and the degree of compliance by the Company with prior recommendations of the external auditors;
- k. directs management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review; and
- l. meets at least annually with the external auditors, independent of management, and reports to the Board on such meetings.

INTERIM FINANCIAL STATEMENTS

The Audit Committee:

- a. reviews and determines the Company's practice with respect to review of interim financial statements by the external auditors;
- b. conducts all such reviews and discussions with the external auditors and Management as it deems appropriate; and
- c. makes recommendations to the Board respecting approval of the interim financial statements.

INVOLVEMENT WITH MANAGEMENT

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- a. reviews the Company's annual and interim financial statements, Management's Discussion and Analysis and earnings press releases, if any, before the Company publicly discloses this information;
- b. reviews all of the Company's public disclosure of financial information extracted from the Company's financial statements, if such financial statements have not previously been reviewed by the Committee, prior to such information being made public by the Company and for such purpose, the CFO assumes responsibility for providing the information to the Audit Committee for its review;
- c. reviews material financial risks with Management, the plan that Management has implemented to monitor and deal with such risks and the success of Management in following the plan;
- d. consults annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls over financial reporting and disclosure controls and procedures and reviews any breaches or deficiencies;
- e. obtains such certifications of annual and interim filings by the CEO and CFO attesting to internal controls over financial reporting and disclosure controls and procedures as deemed advisable;
- f. reviews Management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by Management;
- g. reviews with Management the Company's compliance with applicable laws and regulations respecting financial reporting matters, and any proposed regulatory changes and their impact on the Company; and
- h. reviews as required with Management and approves disclosure of the Audit Committee Charter, and Audit Committee disclosure required in the Company's Annual Information Form, Information Circular and on the Company's website.

PROCEDURAL MATTERS

The Audit Committee:

- a. invites the Company's external auditors, the CFO, and such other persons as deemed appropriate by the Audit Committee to attend meetings of the Audit Committee;
- b. reports material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Audit Committee may deem appropriate;
- c. has the power to conduct or authorize investigations into any matter within the scope of its responsibilities;
- d. has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee;
- e. has the right to communicate directly with the CFO and other members of Management who have responsibility for the internal and external audit process, as well as to communicate directly with the internal and external auditors; and
- f. pre-approves non-audit services to be performed by the external auditors in accordance with the provisions of National Instrument 52-110 - *Audit Committees* ("NI 52-110").

COMPOSITION

The Audit Committee is composed of a minimum of three directors, a majority of whom are independent, subject to any exemptions or relief that may be granted from such requirements under NI 52-110, and have relevant skills and/or experience in the Audit Committee's areas of responsibility as may be required by the securities laws applicable to the Company, including those of any stock exchange on which the Company's securities are traded.

APPOINTMENT OF COMMITTEE MEMBERS AND VACANCIES

Members of the Audit Committee are appointed or confirmed by the Board annually and hold office at the pleasure of the Board. The Board fills any vacancy on, and may appoint any additional members to, the Audit Committee.

COMMITTEE CHAIR

The Board appoints a Chair for the Audit Committee.

STRUCTURE AND OPERATIONS

MEETINGS

The Chair of the Audit Committee or the Chair of the Board or any two of its members may call a meeting of the Audit Committee. The Audit Committee meets at least four times each fiscal year, and at such other times during each year as it deems appropriate.

QUORUM

A majority of the members appointed to the Audit Committee constitutes a quorum.

NOTICE OF MEETINGS

The Chair of the Audit Committee arranges to provide notice of the time and place of every meeting in writing (including by electronic means) to each member of the Audit Committee at least two (2) business days prior to the time fixed for such meeting, provided, however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. The Chair also ensures that an agenda for the meeting and all required materials for review by the members of the Audit Committee are delivered to the members with sufficient time for their review, or that such requirement is waived.

ABSENCE OF COMMITTEE CHAIR

If the Chair of the Audit Committee is not present at any meeting of the Audit Committee, the other members of the Audit Committee will choose a Chair to preside at the meeting.

SECRETARY OF COMMITTEE

At each meeting the Audit Committee appoints a secretary who need not be a director of the Company.

ATTENDANCE OF THE COMPANY'S OFFICERS AT MEETINGS

The Chair of the Audit Committee or any two members of the Audit Committee may invite one or more officers of the Company to attend any meeting of the Audit Committee.

DELEGATION

The Audit Committee may, in its discretion and where permitted by NI 52-110, delegate all or a portion of its duties and responsibilities to a subcommittee, management or, to the extent otherwise permitted by applicable plans, laws or regulations, to any other body or individual.

PROCEDURE AND RECORDS

Subject to any statute or constating documents of the Company, the Audit Committee determines its own procedures at meetings and may conduct meetings by telephone and keeps records of its proceedings.

COMPLAINTS

The Audit Committee has established a whistle-blower policy as detailed in the Code of Business Conduct and Ethics and Whistle Blower Policy which sets out the procedures for:

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

The Audit Committee reviews the whistle-blower policy annually.

REPORTING AND ASSESSMENT

The Audit Committee reports to the Board of Directors, and on an annual basis, presents to the Board a Committee Annual Report consisting of the Audit Committee's review of its charter, the Committee's and its Chair's performance over the past year, and any recommendations the Audit Committee makes in respect thereto.

EFFECTIVE DATE

This Charter was approved by the Board on August 26, 2021.