



**NOTICE OF ANNUAL GENERAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
IN RESPECT OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS**

TO BE HELD ON NOVEMBER 28, 2025

Dated as of October 20, 2025

NEXTRACTION ENERGY CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of NEXTRACTION ENERGY CORP. (the “**Company**”) will be held virtually by the Company at 202 – 2608 Shaughnessy Street, BC, V3C 3G6 on Friday, November 28, 2025 at 09:00 a.m. (Pacific Time) for the following purposes:

1. To receive the audited financial statements of the Company for its fiscal years ended December 31, 2023 and December 31, 2024;
2. To fix the number of directors to be elected at three (3);
3. To elect the board of directors of the Company for the ensuing year;
4. To appoint Mao & Ying LLP, Chartered Professional Accountants as the auditor of the Company for the ensuing year and to authorize the board of directors to fix the auditor's remuneration;
5. To consider, and if thought fit, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve a stock option plan as more particularly described in the accompanying Information Circular (the “**Circular**”);
6. To approve, ratify and confirm all resolutions, contracts, acts and proceedings of the Directors and Officers of the Company, as more particularly described in the accompanying Circular; and
7. To approve the transaction of such other business as may properly come before the Meeting, and any adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. The Company's audited consolidated financial statements and the management discussion and analysis (Form 51-102F1) for the years ended December 31, 2023 and December 31, 2024, are available on SEDAR (www.sedarplus.ca).

A registered shareholder who is unable to attend the Meeting in person is entitled to appoint a proxyholder to attend and vote in his stead. If you cannot be personally present, please refer to the notes accompanying the Instrument of Proxy enclosed and then complete and deposit the Instrument of Proxy with Olympia Trust Company within the time set out in the notes, as set out below.

The Instrument of Proxy must be signed by the registered shareholder or by his or her attorney authorized in writing, or, if the registered shareholder is a corporation, by an officer or director thereof as an authorized signatory. The completed Instrument of Proxy must be deposited at the office of Olympia Trust Company at least 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment thereof.

The enclosed Instrument of Proxy is solicited by management but you may amend it, if you so desire, by striking out the names of the management proxy holders shown and inserting in the space provided the name of the person you wish to represent you at the Meeting.

The Company will arrange for a conference call for shareholders who wish to access the meeting virtually. However, shareholders taking advantage of the virtual meeting will not be permitted to vote through the virtual connection. Shareholders are urged to vote prior to the meeting by depositing their Instrument of Proxy with Olympia Trust Company. Any shareholders wishing to attend the meeting virtually are invited to pre-register for the AGM by contacting the Company by phone at 604-527-8146, to be added to the virtual meeting invitation, at least 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment thereof.

DATED at Port Coquitlam, British Columbia, this 20th day of October, 2025.

ON BEHALF OF THE BOARD

“John A. Versfelt”

John A. Versfelt, President & CEO

**INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON FRIDAY, NOVEMBER 28, 2025**

This information is given as of October 20, 2025, unless otherwise noted.

**PART I
INFORMATION CONCERNING THE MEETING**

SOLICITATION OF PROXIES

This Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of NEXTRACTION ENERGY CORP. (“Nextraction” or the “Company”) for use at the Annual General Meeting (the “Meeting”) of holders (“Shareholders”) of common shares in the capital of the Company to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

In this Information Circular, references to “the Company”, “we” and “our” refer to Nextraction Energy Corp. “Common Shares” means common shares in the capital of the Corporation. “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.

SHAREHOLDERS ENTITLED TO VOTE

Registered shareholders (“**Registered Shareholders**”) as at the close of business on October 20, 2025 (the “**Record Date**”), or the person or persons they appoint as their proxies, are entitled to attend and vote on all matters that may properly come before the Meeting in respect of which their vote is required. Each Shareholder of record at the close of business on the Record Date will be entitled to one vote for each Common Share held with respect to all matters proposed to come before the Meeting, or any adjournment or postponement thereof, and requiring a vote by Shareholders.

Registered Shareholders are entitled to vote at the Meeting, or any adjournment or postponement thereof, either virtually or by proxy. Voting by proxy means that you are giving the person or persons named on your proxy form (your proxyholder) the authority to vote your Common Shares for you at the Meeting or any adjournment(s) or postponement(s) thereof.

APPOINTMENT OF PROXIES AND REVOCATION OF PROXIES

The individuals named in the enclosed form of proxy will represent management of the Company at the Meeting. **A Shareholder has the right to appoint a person or company (who need not be a Shareholder), other than the persons designated in the accompanying form of proxy, to represent the Shareholder at the Meeting. Such right may be exercised by inserting the name of such person or company in the blank space provided in the proxy or by completing another proper form of proxy.** A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed proxy with the Company’s registrar and transfer agent, Olympia Trust Company at PO Box 128, STN M, Calgary, AB T2P 2H6, or by email MailListRequests@olympiatrust.com, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently. A proxy should be executed by the Registered Shareholder or its attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized. Failure to properly complete or deposit a proxy may result in its invalidation.

A Registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy attends the Meeting in person at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by an instrument in writing executed in the same manner as a proxy and deposited to the attention of the Chief Financial Officer of the Company at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

If you are not a Registered Shareholder, please refer to the section below entitled “*Advice to Beneficial Shareholders of Common Shares*”.

ADVICE TO BENEFICIAL SHAREHOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name and thus are considered non-registered Shareholders (referred to as “**Beneficial Shareholders**”). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to Shareholders by a broker then, in almost all cases, those 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 name of the Shareholder's broker or an agent of that broker or another similar entity (an “**Intermediary**”). Common Shares held in the name of an Intermediary can only be voted by the Intermediary (for or against resolutions or withheld) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares.

If you are a Beneficial Shareholder:

Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary. Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which instructions should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a form of proxy provided by the Company. The voting instruction form will name the same persons as the Company's form of proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form 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 the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend at the Meeting as proxyholder for the Intermediary and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as a proxyholder should enter their own names in the blank space on the form of proxy provided to them by their Intermediary and return the same to their Intermediary in accordance with the instructions provided by their Intermediary well in advance of the Meeting.**

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “non-objecting beneficial owners”. Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “objecting beneficial owners” (“**OBOs**”).

The Company does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 - Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Notice-and-Access

The Company is **not** sending the Meeting materials to Shareholders using “notice-and-access”, as defined under National Instrument 54-101.

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

Other than as described herein, the Company is not aware of: (i) any person who has been a director or executive officer of the Company at any time since the beginning of the last financial year; (ii) a nominee for election as a director of the Company at the Meeting; or (iii) any associate or affiliate of any such director or executive officer or nominee, who has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

During the financial years ended December 31, 2024 and 2023, American Resource Management Consultants Inc. ("ARMC"), of which John A. Versfelt is the President, provided management and bookkeeping services and leased office space to the Company. For the year ended December 31, 2024, the Company paid \$10,552 (December 31, 2023 - \$9,932) for these services and the lease. At December 31, 2024 nil was owed (2023 - Nil) to this related company.

Use of Discretionary Power Conferred by the Proxies

Common Shares represented by proxies in favour of management nominees will be voted in accordance with the instructions of the Shareholder on any ballot that may be called for and, if a Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted FOR all matters proposed by management at the Meeting. The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the notice with respect to this Meeting and with respect to any other matters which may properly come before the Meeting in such manner as the nominee in his judgment may determine. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Voting Securities and Principal Holders of Voting Securities

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As at the date hereof, 42,462,408 Common Shares without par value are issued and outstanding. Each Common Share carries the right to one vote at any ballot taken at any meeting of the shareholders. Only shareholders of record of the Company at the close of business on the Record Date or their duly authorized agents are entitled to attend and vote at the Meeting. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution, and a majority of at least two-thirds (2/3) of the votes cast will be required to pass a special resolution.

To the knowledge of the directors and executive officers of the Company, no person beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying in excess of 10% of the voting rights attached to all outstanding Common Shares as at the date of this Circular.

Quorum

The presence of two or more persons holding at least 5% of the outstanding Common Shares of the Company present in person or represented by proxy, will constitute a quorum. The Company's list of Registered Shareholders as at the close of business on the Record Date has been used to deliver to Shareholders the Notice of Meeting and this Circular as well as to determine who is eligible to vote.

Currency

All references to dollars or \$ are in Canadian dollars unless otherwise noted.

PART II

PARTICULARS OF MATTERS TO BE ACTED UPON

PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal years ended December 31, 2024 and December 31, 2023, together with the Auditors' Report thereon, will be presented to the Shareholders at the Meeting. The Company's financial statements and management discussion and analysis are available on SEDAR at www.sedarplus.ca.

APPOINTMENT OF AUDITOR

The persons named in the enclosed Instrument of Proxy will vote for the re-appointment of Mao & Ying LLP, Chartered Professional Accountants ("Mao & Ying"), of Vancouver, British Columbia, as Auditor of the Company, to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Directors. Mao & Ying was appointed to the position of Auditor of the Company on April 22, 2021.

The Board recommends that the appointment of Mao & Ying, as Auditor of the Company.

In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the common shares represented thereby in favour of the ordinary resolution to approve the appointment of Mayo & Ying, of Vancouver, British Columbia, as auditor of the Company for the ensuing year, to hold office until the next Annual General Meeting of the Shareholders, at remuneration to be fixed by the directors.

The following table sets forth, by category, the fees for all services rendered by the Company's external auditor, for the financial years ended December 31:

Nature of Services	Fiscal Year Ended December 31, 2024 ⁽¹⁾ (\$)	Fiscal Year Ended December 31, 2023 ⁽¹⁾ (\$)
Audit Fees	\$13,000	\$11,000
Tax Preparation	\$ 1,500	\$ 1,000
Total	\$14,500	\$12,000

⁽¹⁾Fees for all services rendered by the Company's external auditor, Mayo & Ying

NUMBER OF DIRECTORS

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at three (3).

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld, the persons named in the provided proxy will vote FOR setting the number of directors to be elected at the Meeting at three (3).

ELECTION OF DIRECTORS

The Articles of Incorporation of the Company provide that the board of directors (the "Board") shall consist of a minimum of three (3). The Board currently consists of three (3) directors and there will be three (3) persons elected to the Board at the Meeting.

Management proposes that each individual named below be nominated at the Meeting for election as a director of the Company to serve, until the next annual meeting of Shareholders, or until his or her successor is elected or appointed. Management does not contemplate that any of the nominees will be unable to serve as a director. **However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Common Shares represented by proxies in favour of management nominees will be voted FOR the election of all of the nominees whose names are set forth below, unless a Shareholder has specified in his proxy that his Common Shares are to be withheld from voting for any or all of the nominees.**

The following table and the notes thereto state the names of all individuals to be nominated for election as directors, all other positions or offices with the Company now held by them, their principal occupations of employment, the year in which they became directors for the Company, the approximate number of Common Shares beneficially owned, or controlled, directly or indirectly, by each of them, as of the date hereof.

Name, Province and Country of Residence, and Position to be Held	Periods Served as Director	Principal Occupation and Positions During Last Five Years	Common Shares Beneficially Owned, or Controlled
Benjamin Gill ⁽¹⁾ Calgary, Alberta <i>Director</i>	May 14, 2020 to present	Corporate Development lead for Northland Forest Products and Western Archrib from 2020 to present; Director Commercial Banking - Fort McMurray & Region with ATB Financial from 2011 to 2020.	Nil
Edmund Gill ⁽¹⁾ Calgary, Alberta <i>Director</i>	October 11, 2025 to present	Tax Consultant for Tax Architecture Group from 2018 to present.	Nil
Mariia Khriachtcheva ⁽¹⁾ Calgary, Alberta <i>Director</i>	October 11, 2025 to present	Wellness Director for Modern Calm from 2024 to present; founder, Stepwise Home Solutions from 2024 to present; Director of Payments for ATB Financial from 2016 to 2024	Nil

(1) Anticipated to be appointed as a Member of the Audit Committee.

The term of each proposed director of the Company will expire on the date of the next annual meeting of the Shareholders.

Biographies

The following are summaries of the directors and principal management of the Company, including their respective proposed positions with the Company and relevant work and educational background.

John Versfelt, President and CEO

Mr. Versfelt has been a manager and/or director of publicly listed companies for over forty-two years. From 1982 to present, President of American Resource Management Consultants Inc.; from 1991 to July 2023 he was an officer and director of Millennium Silver Corp., a company listed on the TSX Venture Exchange (the “Exchange”); from 1992 to August 2023, officer & director of Cabo Drilling Corp., a public company listed on the Exchange; from March 2016 to September 2023, Director of Hydropower Technologies, Inc.; and from March 2011 to October 2021, President & Director of Credent Capital Corp. Through his prior experience Mr. Versfelt has become knowledgeable in regard to the financing, financial management, and business development of public companies. Mr. Versfelt received a B.A. (Comm.) from Simon Fraser University in 1976.

Benjamin Gill, Interim CFO and Director

Mr. Benjamin Gill is the head of Corporate Development for Northland Forest Products and Western Archrib. Mr. Gill is also Treasurer for the McKay Metis Group of Companies and on the Board of Directors for the Fort McMurray Chamber of Commerce. From 2011 to March 2020, he was employed with ATB Financial and was the Director Commercial Banking for Fort McMurray & Region. Mr. Gill holds a MSc. in Financial Economics from the School of Oriental and African Studies, University of London. He also received a Bachelor of Arts degree with a Major in Economics from the University of Calgary in 2007.

Edmund Gill, Director

Mr. Edmund Gill is a Tax Consultant with Tax Architecture Group. He sits on the Board of Directors for several private companies. Mr. Gill is also an entrepreneur and small business owner in the truck and car wash industry. Previously he held various professional positions primarily as a Tax Partner with each of Deloitte LLP, McCarthy Tétrault, and Blake, Cassels & Graydon LLP. Mr. Gill received his Bachelor of Laws (LL.B.) degree from the University of Alberta in 1999, where he graduated as the Silver Medalist.

Mariia Khriachtcheva, Director

Ms. Khriachtcheva is Wellness Director for Modern Calm, Fort McMurray's flagship spa and wellness destination. She is also the founder of Stepwise Home Solutions, which develops innovative co-ownership models for accessible homeownership. She served as Director of Payments for ATB Financial from 2016 to 2024, providing business and product management leadership. Ms. Khriachtcheva holds an MSc in International Business from Copenhagen Business School, an MBA program in e-Business/e-Commerce at the University of Calgary, and a Bachelor of Business Administration in Banking, Corporate, Finance, and Securities Law from Roskilde Universitetscenter in Denmark.

Corporate Cease Trade Orders or Bankruptcy

Save and except as set out below, as of the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular,

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

Penalties, Sanctions or Regulatory Matters

Save and except as set forth below, as of the date of this Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision at any time during the last ten years.

Effective December 6, 2021, securities of the Nextraction were delisted from NEX, a board of the Exchange, for failure to pay quarterly NEX Listing Maintenance Fees. Prior to delisting, the shares of the Company were subject to a suspension from trading.

Nextraction was previously subject to Cease Trade Orders issued by the Alberta Securities Commission and the BCSC. Those Cease Trade Orders were revoked by the above-mentioned securities commissions on February 7, 2020.

Personal Bankruptcy

As of the date of this Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Circular, 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.

Conflicts of Interest

The directors of the Company will be required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and the Company promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the Company directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

The Company's negative working capital position, outstanding debt and lack of cash flow are material uncertainties that cast significant doubt upon the Company's ability to continue as a going concern.

Please see additional disclosure made within this Circular, including the disclosure made under "*Interest of Certain Persons or Companies in Matters to Be Acted Upon*".

APPROVAL OF THE STOCK OPTION PLAN

Stock Option Plan

The Company has a “rolling” stock option plan (the “**Stock Option Plan**”), pursuant to which the maximum number of Common Shares reserved for issuance, including options currently outstanding, is equal to 10% of the issued and outstanding Common Shares.

A complete copy of the full text of the Plan is available at www.armc.ca, under the Annual General Meetings tab. A copy of the Plan is also available at the registered office of the Company, at 202 – 2608 Shaughnessy Street, Port Coquitlam, B.C., until the business day immediately preceding the date of the Meeting. Since the approval of the Stock Option Plan at the annual general meeting of Nextraction, on November 29, 2024, there have been no amendments to the Stock Option Plan.

The maximum number of common shares of the Company reserved for issuance under the Stock Option Plan is 10% of the issued and outstanding Common Shares on a “rolling” basis, amounting to 4,246,240 Common Shares, based on the current issued and outstanding Common Shares. All previously issued stock options have expired or have been terminated by agreement. The Company has no outstanding stock options.

Summary of Stock Option Plan

The summary of the Stock Option Plan set forth below is subject to and qualified in its entirety by the provisions of such plan. Reference should be made to the provisions of the Stock Option Plan with respect to any capitalized term or particular provision described below.

Stock options to purchase Common Shares may be granted from time to time to directors, senior officers, employees and service providers of the Company and its affiliates, and to eligible charitable organizations pursuant to the Stock Option Plan in order to incentivize and sustain a commitment to long-term profitability and to maximize shareholder value. Grants of stock options are based on a variety of factors, and the amounts and terms of outstanding options are taken into account when determining whether and how many stock option grants are made. The Stock Option Plan will be administered by the Board or such committee appointed or designated to administer the Stock Option Plan (a “**Committee**”). The aggregate number of Common Shares issuable pursuant to the Stock Option Plan may not exceed 10% of the Common Shares at the time of any particular grant.

The aggregate number of Common Shares reserved for issuance pursuant to options granted to any one person or entity within any 12-month period shall not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis, unless Disinterested Shareholder Approval is obtained. “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all Shareholders at a duly constituted Shareholders' meeting, excluding votes attached to shares beneficially owned by insiders of the Company to whom options may be granted under the Stock Option Plan and their associates. In addition, the aggregate number of options granted and outstanding to eligible charitable organizations shall not at any time exceed 1% of the issued and outstanding Common Shares, as calculated immediately subsequent to the grant of any options to eligible charitable organizations.

Under the terms of the Stock Option Plan, the Board or the Committee, if any, will establish the exercise price of an stock option at the time each option is granted.

All options granted under the Stock Option Plan are personal to the optionee and are non-assignable and can have a term that does not exceed five (5) years (subject to an extension of the scheduled expiry date for a further 10 business days if the option would otherwise expire during a blackout period).

A stock option granted to a director who is not an employee will terminate on the earliest of: (a) if such director is removed or is not re-elected, the date that such director is removed or is not re-elected as a director, or (b) if such director resigns, the date that is the earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of such director's resignation.

The right to exercise the options granted will terminate immediately upon the termination of the optionee's employment for cause. If the termination of employment is for any reason other than cause, retirement, or death, such optionee may exercise any granted option if the option was exercisable and had vested on the date of the employee's termination, until the date that is the earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of such optionee's termination. If, before the expiry of an option, the employment of the optionee who is an officer, employee or consultant of the Company or an affiliate of the Company retires, such optionee may exercise any option granted, to the extent that such option was exercisable and had vested on the date of retirement, until the date that is earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of retirement. If, before the expiry of an option, the optionee dies, such option may be exercised by the legal personal representatives, heirs, executors or administrators of the optionee, to the extent that such option was exercisable and had vested on the date of death, until the date that is the earlier of (i) the expiry date of

the option and (ii) the date that is twelve months after the date of death. Subject to the provisions of the Stock Option Plan and applicable laws, including Exchange policies, the Board or Committee, if any, may determine when an option will become exercisable and may determine that the option will be exercisable immediately upon the date of the grant, in installments, or pursuant to a vesting schedule. However, options granted to persons performing investor relations activities must, at the very least, vest in stages over 12 months, with no more than 25% of the options vesting in any three-month period.

The Board or Committee, if any, may amend or terminate the Stock Option Plan at any time if and when it is deemed advisable, in its absolute discretion; provided, however that no such amendment or termination shall adversely affect any outstanding options granted under the Stock Option Plan without the consent of the affected optionee(s). Any amendment to the Stock Option Plan shall also be subject to acceptance of such amendment for filing by regulatory authorities, if applicable, and the approval of the Shareholders.

The Board or Committee, if any, may amend any outstanding option granted under the Stock Option Plan with the consent of the affected optionee(s), if required, and regulatory authorities, if required, subject to the following conditions: (a) if the optionee is an insider of the Company at the time of the amendment, the Company must obtain Disinterested Shareholder Approval, unless the amendment relates to extending the length of the term of the option.

The Stock Option Plan provides that upon the Company entering an agreement providing for a Change of Control, or the Board adopting a resolution to the effect that a Change of Control has occurred or is imminent, or a take-over bid is made, the Board may, in its sole and absolute discretion and if permitted by applicable securities laws, determine by resolution that all outstanding options shall (i) immediately become exercisable in full by the holders thereof, notwithstanding any vesting provisions or other restrictions or conditions that would otherwise attach to such options, and (ii) expire on the date determined of the Board, provided however that the expiry date of any outstanding option may not be extended beyond the five (5) maximum term.

The Board believes that the proposed Stock Option Plan will offer to participants a competitive and stable level of equity-based compensation. The Stock Option Plan will also assist the Company to secure and retain key personnel and to provide additional motivation to such persons to exert their best efforts on behalf of the Company.

At the Meeting, Shareholders will be asked to consider and if deemed advisable, ratify, confirm and approve the Stock Option Plan by approving the following Stock Option Plan Resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company’s Stock Option Plan is hereby ratified, confirmed and approved, including the reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding shares of the Company;
2. the Company is authorized to grant stock options in accordance with the terms and conditions of the Stock Option Plan entitling the option holders to purchase, in aggregate, that number of Common Shares that does not exceed 10% of the issued and outstanding Common Shares of the Company from time to time on the particular grant date;
3. any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Stock Option Plan from time to time as may be considered appropriate in the committee’s discretion or required by applicable regulatory authorities, provided that such amendments are subject to the approval of all applicable regulatory authorities and, in certain cases, in accordance with the terms of the Stock Option Plan, by the shareholders of the Company; and
4. any one director or officer of the Company is authorized to take any steps and execute any documents as he or she may deem necessary to give effect to the Stock Option Plan and to comply with regulatory requirements respecting the Stock Option Plan.”

Management of the Company recommends that Shareholders vote in favor of the Stock Option Plan Resolution. Unless you give other instructions, the persons named in the form of proxy intend to vote FOR the Stock Option Plan Resolution. This ordinary resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

RATIFICATION OF ACTS

Management of the Company proposes that the Shareholders ratify, approve and confirm the actions, deeds and conduct of the Directors and officers taken on behalf of the Company since the last annual general meeting. Accordingly, Shareholders will be asked to consider and approve the following resolutions, with or without modification:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION, THAT:

1. Notwithstanding: (i) any failure to properly convene, proceed with, or record any meeting of the Board of Directors or Shareholders; or (ii) any failure to pass any resolution of the Directors or Shareholders or any articles of the Company: all approvals, appointments, elections, resolutions, contracts, acts and proceedings enacted, passed, made done or taken since the last Shareholders meeting, as set forth in the minutes, the resolutions or in other documents of the Board of Directors or Shareholders or contained in the minutes book or in the financial statements of the Company, and all action taken to-date in reliance upon the validity of such minutes, documents and financial statements, are hereby sanctioned, ratified, confirmed and approved; and
2. Without limiting the generality of paragraph (1) above, all resolutions, contracts, acts and proceedings of the Board of Directors of the Company enacted, made, done or taken since the last annual general meeting as set forth or referred to in the minutes or in the financial statements of the Company, are hereby approved, ratified and confirmed.”

Management of the Company recommends that Shareholders vote in favor of the above Resolution. Unless you give other instructions, the persons named in the form of proxy intend to vote FOR the above Resolution. This ordinary resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

OTHER MATTERS TO BE ACTED UPON

As of the date of this Circular, management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

PART III

STATEMENT OF EXECUTIVE COMPENSATION

GENERAL

For the purpose of this Circular:

“**CEO**” of Nextraction means each individual who acted as chief executive officer of Nextraction or acted in a similar capacity for any part of the most recently completed financial year;

“**CFO**” of Nextraction means each individual who acted as chief financial officer of Nextraction or acted in a similar capacity for any part of the most recently completed financial year;

“**Named Executive Officers**” or “**NEO**” means:

1. a CEO;
2. a CFO; or
3. each of Nextraction's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than Cdn. \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation.

For the purposes of this Circular, NEOs will include the three most highly compensated executive officers of Nextraction, regardless of the amount of their compensation.

COMPENSATION DISCUSSION & ANALYSIS

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Statement of Executive Compensation a Named Executive Officer (“NEO”) of the Company means each of the following individuals: (a) a Chief Executive Officer (“CEO”) of the Company; (b) a Chief Financial Officer (“CFO”) of the Company; (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6; and (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity in the financial year ended December 31, 2024 or December 31, 2023.

The Company Board of Directors governs executive compensation practices. The Board is responsible for ensuring that the Company has in place an appropriate plan for executive compensation and for making recommendations with respect to the compensation of the Company's executive officers. Compensation consists of a base salary and share based compensation. Share based compensation policies and plans consist of the Company stock option plan. They are awarded by performance and milestones set by the Board of Directors. The Board ensures that total compensation paid to its NEOs is fair and reasonable and is consistent with the Company's compensation philosophy. Other than their business experience and service on the Company's Board, no members have direct third-party experience relevant to their responsibilities in executive compensation.

Summary Compensation Table for NEOs

The following table sets forth all compensation paid, awarded, granted, given or otherwise provided, directly or indirectly, during the years ended December 31, 2024 and December 31, 2023.

Name and Principal Position	Year	Salary (\$)	Option-based awards (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans			
John A. Versfelt ⁽¹⁾ President & CEO	2024	Nil	-	-	-	-	-	-	Nil
	2023	Nil	-	-	-	-	-	-	Nil
Benjamin Gill Interim CFO	2024	Nil	-	-	-	-	-	-	Nil
	2023	Nil	-	-	-	-	-	-	Nil
Steve Elliott ⁽²⁾ Interim CFO	2024	N/A	-	-	-	-	-	-	N/A
	2023	Nil	-	-	-	-	-	-	Nil

(1) ARMC, of which John A. Versfelt is the President, provided management and bookkeeping services; and leased office space to the Company. For the year ended December 31, 2024, the Company paid \$10,552 (December 31, 2023 – \$9,932) for these services and the lease. At December 31, 2024, nil was owed (2024 - Nil) to this related company.

(2) Messrs. Elliott resigned November 30, 2023.

Director Compensation Table

The following table sets forth information concerning the annual and long-term compensation in respect of the directors of the Company other than the NEOs, during the years ended December 31, 2024 and December 31, 2023. For details of the compensation for the NEOs who are also directors of the Company, see disclosure in “*Statement of Executive Compensation – Summary Compensation Table for NEOs*”.

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John A. Versfelt ⁽¹⁾	2024	-	-	Nil	-	-	-	Nil
	2023	-	-	Nil	-	-	-	Nil
Benjamin Gill	2024	-	-	Nil	-	-	-	Nil
	2023	-	-	Nil	-	-	-	Nil
Steve Elliott ⁽²⁾	2024	-	-	N/A	-	-	-	N/A
	2023	-	-	Nil	-	-	-	Nil
Michael Pavicic ⁽³⁾	2024	-	-	Nil	-	-	-	Nil
	2023	-	-	N/A	-	-	-	N/A

(1) Messr. Versfelt was appointed May 14, 2020 and resigned October 11, 2025.

(2) Messr. Elliot was appointed May 14, 2020 and resigned November 30, 2023.

(3) Messr. Pavicic was appointed May 30, 2024 and resigned July 17, 2025.

Incentive Plan Awards for NEOs:

Option-Based Awards:

The Company has a Stock Option Plan (collectively, the “Plan”), which was most recently approved by shareholders at the Annual General and Special Meeting of Shareholders held November 29, 2024.

The Company granted no options and no options were exercised during the 2024 and 2023 fiscal years.

Pension Plan Benefits:

The Company does not have any pension plans that provide for payments of benefits at, following or in connection with retirement or provide for retirement or deferred compensation plans for the NEOs or directors.

Termination and Change of Control Benefits:

The Company has not entered into any Employment Agreements or other agreements entitling any individual to pay or entitlements upon being terminated or as a result of a change of control of the Company.

Securities Authorized for Issuance Under Equity Compensation Plans:

All securities previously issued by the Company’s under the Company’s equity compensation plan have expired. There are no securities issued pursuant to any equity compensation plan of the Company.

Indebtedness of Directors and Executive Officers:

No current or former executive officer or director, any, or any associate of any such person, has been indebted to the Company or its subsidiaries at any time since the commencement of the Company's fiscal year to the date hereof. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company or its subsidiaries at any time since the beginning of the fiscal year to the date hereof with respect to any indebtedness of any such person.

Director Compensation

No director has received compensation during the financial years ended December 31, 2024 and December 31, 2023.

PART IV

EQUITY COMPENSATION PLAN INFORMATION

The following table describes the share purchase options of Nextraction outstanding at the end of the most recently completed financial year.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	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 security holders	Nil	Nil	4,246,240
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	Nil	Nil	4,246,240

- (1) The Stock Option Plan under which the above options were granted is a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant.

PART V

AUDIT COMMITTEE

AUDIT COMMITTEE CHARTER

The text of the Charter of Nextraction's Audit Committee (the “**Audit Committee**”) is attached as **Schedule “A”** to this Circular.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently made up of three (3) directors, namely Benjamin Gill, Edmund Gill (Chair) and Mariia Khriachtcheva. Mr. Edmund Gill and Ms. Mariia Khriachtcheva are “independent” directors. The basis for this determination is that during the Company's fiscal year ended December 31, 2024, none of the current independent directors have received remuneration from the Company or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company. The three (3) directors are considered to be financially literate within the meaning of *National Instrument 52-110 respecting Audit Committees* (“**NI 52-110**”).

AUDIT COMMITTEE OVERSIGHT

The Audit Committee has made no recommendation to nominate or compensate an external auditor that the board of directors declined to adopt.

USE OF CERTAIN EXEMPTIONS

Since the beginning of its most recently completed fiscal year, Nextraction has not availed itself of the exemption provided for in Section 2.4 of NI 52-110 (*De Minimis* Non-audit Services) or an exemption from Part 8 of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has adopted no specific policies or procedures for the engagement of non-audit services.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the last completed financial year and up to the date hereof, no director, executive officer or employee or former executive officer, director, or employee of the Company or any of its subsidiaries has been indebted to the Company.

EXEMPTION FOR VENTURE ISSUERS

Pursuant to paragraph 6.1 of NI 52-110, venture issuers (as defined by the National Instrument) are exempt from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110. Nextraction is subject to that exemption.

PART VI **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) also requires the Company to disclose annually in its information circular certain information concerning its corporate governance practices. As a “venture issuer” the Company is required to make these disclosures with reference to the requirements of Form 58-101F2, this disclosure is provided below.

BOARD OF DIRECTORS

The Board is currently composed of three directors: Benjamin Gill, Edmund Gill and Mariia Khriachtcheva. All three will be standing for re-election as a director at this Meeting. It is proposed that Benjamin Gill, Edmund Gill, and Mariia Khriachtcheva be nominated at the Meeting.

NI 58-101 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors, within the meaning set out under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as 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.

In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. Mr. Edmund Gill and Ms. Mariia Khriachtcheva are “independent” directors. The basis for this determination is that, none of the current independent directors have received remuneration from the Company or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company. Mr. Benjamin Gill is not independent as he is the interim CFO of the Company.

DIRECTORSHIPS

None of Nextraction's proposed directors are also directors of other reporting issuers.

ORIENTATION AND CONTINUING EDUCATION

The Board has no governance policies relating to the directors' orientation and continuing education.

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. However, to date, the Board has not adopted a formal written Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law have been sufficient to ensure that the Board acts in the best interests of the Company and its Shareholders.

NOMINATION OF DIRECTORS

Nextraction's directors are responsible for the selection of nominees to the Board.

ASSESSMENTS

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Nextraction has no formal policy concerning the evaluation of members of the Board.

COMMITTEES OF THE BOARD

At the present time, the Board has appointed only an audit committee, see Part V – Audit Committee.

COMPENSATION

Nextraction has no formal policy concerning compensation.

Registrar and Transfer Agent

The registrar and transfer agent of the Company is Olympia Trust Company, of 4000, 520 - 3rd Ave SW, Calgary, Alberta, Canada, T2P 0R3.

Interests of Certain Persons in Matter to Be Acted Upon

Except as disclosed in this Circular, none of the Company's principal holders of Common Shares, directors, senior officers, or any associate or affiliate of the foregoing persons, have any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

PART VII **INTEREST OF MANAGEMENT AND OTHERS** **IN MATERIAL TRANSACTIONS**

No Director, Executive Officer or Senior Officer of the Company, or any proposed nominee for election as a Director of the Company, or any associate or affiliate of any such Director, Executive Officer or Senior Officer or proposed nominee, is or has been indebted to the Company or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Company or any of its subsidiaries either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year of the Company.

During the financial year ended December 31, 2024, ARMC, of which John A. Versfelt is the President, provided management and bookkeeping services, and leased office space to the Company. For the year ended December 31, 2024, the Company paid \$10,552 (December 31, 2023 – \$9,932) for these services and the lease. At December 31, 2024, nil was owed (2023 - Nil) to this related company.

Except for the foregoing, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

PART VIII OTHER MATTERS

Nextraction's management knows of no other matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. If any matters that are not now known properly come before the Meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person voting it.

Shareholders with voting rights at Nextraction's next annual general meeting who wish to submit a motion regarding any issue to be debated during that meeting must submit their motions to Nextraction's secretary no later than 9:00 am (Pacific Time) on November 26, 2025.

There are no other material facts other than as disclosed in this Circular.

PART IX ADDITIONAL INFORMATION

Additional information concerning Nextraction, including its consolidated interim and annual financial statements and related MD&A, is available on SEDAR accessible at www.sedarplus.ca. When available, copies of that information may also be obtained upon request to Nextraction's Corporate Secretary at 202 – 2608 Shaughnessy Street, Port Coquitlam, BC V3C 3G6.

Additional financial information is provided in the Company's comparative annual financial statements and MD&A for the financial years ended December 31, 2024 and December 31, 2023.

APPROVAL OF DIRECTORS

The contents and sending of this Circular to the Shareholders have been approved by the Board.

DATED at New Westminster, British Columbia on October 20, 2025.

“John A. Versfelt”

John A. Versfelt
President & Chief Executive Officer

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

I. PURPOSE

The audit committee (“**Audit Committee**” or “**Committee**”) is a committee of the board of directors (the “**Board**”) of NEXTRACTION ENERGY CORP. (the “**Company**”). The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company. The Audit Committee's primary duties and responsibilities are:

- overseeing the integrity of the Company's financial statements and reviewing the financial reports, other financial information and other relevant documents provided by the Company to any regulatory body or the public;
- recommending the appointment and the compensation and reviewing and appraising the audit efforts of the Company's independent auditor.
- overseeing the independent auditor's qualifications and independence and providing an open avenue of communication among the independent auditor, financial and senior management and the Board;
- serving as an independent and objective party to oversee and monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

II. COMPOSITION AND MEETINGS

The Committee shall be comprised of a minimum of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise and all members must be financially literate, as such term is defined by National Instrument 52-110.

The members of the Committee shall be appointed by the Board at the annual organizational meeting of the Board. Such appointment shall be until their successors are duly appointed and qualified. Unless a Chairman is elected by all the members of the Board, the members of the Committee may designate a Chairman by a majority vote of the Committee.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis prior to their being published. The Committee shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis prior to their being published.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit-related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and independent auditor of the Company.

As part of its mandate to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee.

Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon 48 hours' notice to each of the members. The notice period may be waived by a quorum of the Committee. Notwithstanding the foregoing, each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditor, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

1. create an agenda for the ensuing year;
2. review and update this Charter at least annually, as conditions dictate;
3. ensure that the independent auditor reports directly to the Committee and is made accountable to the Committee;
4. describe in the Company's management information circular or, if the Company is not required to send such circular, in its annual information form or management discussion and analysis, the Committee's composition and responsibilities and how such responsibilities were discharged, as required by Form 52-110F2.
5. Report periodically to the Board.

Documents/Reports Review

6. Review with management and the independent auditor, the Company's annual financial statements, Management Discussion and Analysis and any reports or other financial information to be submitted to any regulatory body, or the public, including any certification, report, opinion or review rendered by the independent auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication.
7. Review with financial management the Company's interim financial statements, Management Discussion and Analysis and earnings releases and any filings which contain financial information, to be submitted to regulatory bodies or the public prior to their filing, issue or publication. The Chairman of the Committee may represent the Committee for this review in circumstances where time does not allow all of the members of the Committee to be available.
8. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.

Independent Auditor

9. Review the performance of the independent auditor, consider their independence, review their engagement letter including their proposed fees and other compensation to be paid to the independent auditor in the ensuing year and recommend to the Board the selection of the independent auditor for approval by shareholders at the next meeting of shareholders.
10. Review and discuss, at least on an annual basis, with the independent auditor, all significant relationships it has with the Company to determine its independence, and report to the Board.
11. Approve any proposed discharge and replacement of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.
12. Arrange for the independent auditor to be available to the Audit Committee and the full Board as needed.
13. Subject to Section 14 below, review and pre-approve requests for any non-audit services to be performed by the independent auditor and be advised of any other studies, engagement or non-audit services undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees. In connection with the pre-approval of permissible non-audit services, adopt specific policies and procedures for the engagement of such services, which detail the particular non-audit services. Such procedures must not include delegation of the Committee's responsibilities to management.
14. Ensure that the independent auditor is prohibited from providing the following non-audit services and determine which other non-audit services the independent auditor is prohibited from providing:
 - bookkeeping or other services related to the accounting records or financial statements of the Company;
 - financial information systems design and implementation;
 - appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
 - actuarial services;

- internal audit outsourcing services;
- management functions or human resources;
- broker or dealer, investment adviser or investment banking services;
- legal services and expert services unrelated to the audit; and
- any other services which the Public Company Accounting Oversight Board determines to be impermissible.

Financial Reporting Processes

15. In consultation with the independent auditor review the integrity of the Company's financial and accounting and reporting processes, both internal and external.

16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.

17. Consider and, if appropriate, approve major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

18. At least annually obtaining and reviewing a report prepared by the independent auditor describing (i) the independent auditor's quality-control procedures; and (ii) any material issues raised by the most recent internal quality- control review, or peer review, of the independent auditor, or by any inquiry of investigation by regulatory or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditor, and any steps taken to deal with any such issues.

19. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, controls and audit matters and for the confidential and anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

20. Review and approve hiring policies for employees or former employees of the past and present independent auditor.

21. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits, as the Committee may deem desirable.

22. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor. Where there are unsettled material differences, the Committee shall ensure that there is an agreed course of action for the resolution of such matters.

23. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.

24. Meet with the independent auditor without management in attendance at the time of the completion of the annual audit about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper. At this meeting the independent auditor would be expected to report on any issues they had with management including concerns about the competence to manage the financial affairs of the Company.

25. Following completion of the annual audit, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit, and:

- a. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
- b. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
- c. Review activities, organizational structure, and qualifications of the Chief Financial Officer and the staff in the financial reporting area and see to it that matters related to succession planning within the Company are raised for consideration by the Board.

Ethical and Legal Compliance

26. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results.
27. Review management's monitoring of the Company's system in place to ensure that the Company's financial statements, reports and other financial information disseminated to regulatory organizations, or the public satisfy legal requirements.
28. Review, with the Company's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

Risk Management

29. Make inquiries of management and the independent auditor to identify significant business, political, financial and controls risks and exposures and assess the steps management has taken to minimize such risk to the Company.
30. Ensure that the disclosure of the process followed by the Board and its committees, in the oversight of the Company's management of principal business risks, is complete and fairly presented.
31. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

General

32. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain, set and pay the compensation for independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
33. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.