

**YANGARRA RESOURCES LTD.**  
**Suite 1530, 715 – 5th Avenue S.W.**  
**Calgary, Alberta T2P 2X6**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON THURSDAY, APRIL 27, 2023**

**TAKE NOTICE** that an Annual General and Special Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of Yangarra Resources Ltd. (the "**Corporation**") will be held at the **Tillyard Management Conference Centre, Main Floor, 715 – 5th Avenue S.W., Calgary, Alberta, on Thursday, April 27, 2023 at 10:00 a.m. (Calgary time)** for the following purposes:

- (1) to receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2022, together with the auditor's report thereon;
- (2) to fix the number of directors to be elected at the Meeting at seven (7);
- (3) to elect directors for the Corporation for the ensuing year;
- (4) to re-appoint MNP LLP, Chartered Professional Accountants as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix their remuneration;
- (5) to consider, and, if deemed appropriate, to pass, with or without variation, an ordinary resolution approving the Corporation's restricted share unit plan; and
- (6) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The board of directors of the Corporation has fixed the record date for the Meeting as of the close of business on Thursday, March 13, 2023 (the "**Record Date**"). Only holders of the Common Shares of record at the Record Date are entitled to notice of and to participate at the Meeting and only such persons or those who become holders of Common Shares after the Record Date and comply with the provisions of the *Business Corporations Act* (Alberta) are entitled to vote at the Meeting.

**Proxies are being solicited by management of the Corporation. A Shareholder may attend the Meeting in person or may be represented there by proxy. A form of proxy for use at the Meeting or any adjournment thereof is enclosed with this Notice of Meeting. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to complete, sign and mail the enclosed form of proxy to, or deposit it with, the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, so that it is received no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any adjournment thereof. Shareholders may also use the internet site at [www.investorvote.com](http://www.investorvote.com) to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America), or 1-312-588-4290 (outside North America). Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk.**

*Please ensure your vote is represented at the Meeting by submitting your proxy in accordance with the instructions above.*

Shareholders are referred to the Information Circular of the Corporation dated March 13, 2023 accompanying this Notice of Meeting for more detailed information regarding the matters to be considered at the Meeting.

**DATED** at Calgary, Alberta this 13<sup>th</sup> day of March, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF YANGARRA RESOURCES LTD.**

Per: (signed) " *James G. Evaskevich* "  
Chief Executive Officer

# YANGARRA RESOURCES LTD.

Suite 1530, 715 – 5th Avenue S.W.  
Calgary, Alberta T2P 2X6

## MANAGEMENT INFORMATION CIRCULAR

**Dated March 13, 2023**

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by or on behalf of the management of Yangarra Resources Ltd. (the "**Corporation**" or "**Yangarra**") for use at the annual general and special meeting of the holders ("**Shareholders**") of the common shares ("**Common Shares**") of the Corporation to be held on Thursday, April 27, 2023 at 10:00 a.m. (Calgary time) at Tillyard Management Conference Centre, Main Floor, 715 – 5th Avenue S.W., Calgary, Alberta and at any adjournment thereof (the "**Meeting**") for the purposes set out in the Notice of Meeting accompanying this Information Circular. Unless otherwise noted, information in this Information Circular is given as at March 13, 2023.

### SOLICITATION OF PROXIES

The solicitation is made on behalf of management of the Corporation. Proxies are being solicited primarily by mail, but may also be solicited by e-mail, facsimile or oral communication by the directors, officers and employees of the Corporation, at no additional compensation. The costs incurred in the preparation and mailing of the form of proxy, the Notice of Meeting and this Information Circular will be borne by the Corporation.

### APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are officers of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than James G. Evaskevich and James A. Glessing, the management designees, to attend and represent the Shareholder and act on the Shareholder's behalf at the Meeting.** Such right may be exercised by inserting in the blank space provided in the accompanying form of proxy the name of the person to be designated or by completing another proper form of proxy and, in either case, depositing the form of proxy with the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada ("**Computershare**"). A proxy will not be valid unless the completed, dated and signed form of proxy is delivered to Computershare, 8th Floor Proxy Dept., 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment of the Meeting.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy, prior to the revocation. A Shareholder may revoke a proxy by depositing an instrument in writing, executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation with:

1. Computershare, 8th Floor, Proxy Dept., 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or an adjournment of the Meeting at which the proxy is to be used;
2. at the registered office of the Corporation, Suite 1530, 715 – 5th Avenue S.W., Calgary, Alberta, T2P 2X6, at any time up to and including the last business day preceding the day of the Meeting or an adjournment of the Meeting at which the proxy is to be used; or

3. with the chairman of the Meeting on the day of the Meeting or at any adjournment of the Meeting.

In addition, a proxy may be revoked by the Shareholder executing another form of proxy bearing a later date and depositing same with Computershare, within the time period set out under the heading "*Voting of Proxies*", or by the Shareholder personally attending the Meeting and voting his or her Common Shares or in any other manner permitted by law.

### **VOTING OF PROXIES**

All Common Shares represented at the meeting by properly executed proxies will be voted by the persons named in the proxy and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented thereby will be voted or withheld from voting in accordance with such specifications. **In the absence of any such specifications by the Shareholder, such Common Shares will be voted IN FAVOUR of all the matters set out herein.**

**The enclosed form of proxy confers discretionary authority upon the management designees, or other persons appointed as proxy-holders thereunder, with respect to any amendments to or variations of matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, the management of the Corporation is not aware of any such amendments, variations or other matters which may come before the Meeting other than matters referred to in the accompanying Notice of Meeting.**

### **ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING THEIR COMMON SHARES**

**The information set forth in this section is of significant importance to many shareholders who hold Common Shares through brokers and their nominees, as a substantial number of shareholders do not hold Common Shares in their own name.**

Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of the broker. In Canada, the vast majority of such 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). In the United States, the vast majority of such Common Shares are registered under the name Cede & Co. (the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms). Common Shares held by brokers (or their agents) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Each Beneficial Shareholder should therefore ensure that the voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is

substantially similar to the instrument of proxy provided directly to the registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are called Non-Objecting Beneficial Owners ("**NOBOs**"). Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are called Objecting Beneficial Owners ("**OBOs**").

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners* of the Canadian Securities Administrators ("**NI 54-101**"), the Corporation has elected to send the Corporation's accompanying Notice of Meeting and this Information Circular (collectively, the "**Meeting Materials**") directly to NOBOs, and indirectly through intermediaries to the OBOs. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy-related materials in connection with the Meeting.

The intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. Intermediaries will frequently use service companies to forward the Meeting Materials to the OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Computershare; or
- b) more typically, be given a voting instruction form ("**VIF**") which is not signed by the intermediary, and which, when properly completed and signed by the OBO and returned to the intermediary or its service company, will constitute instructions the intermediary must follow.

The Corporation will be paying for intermediaries to deliver to OBOs (who have not otherwise waived their rights to receive proxy-related materials) copies of the Meeting Materials and related documents.

**The Meeting Materials are being sent to both registered Shareholders of the Corporation and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.**

The Meeting Materials sent to the NOBOs who have not waived the right to receive meeting materials are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Common Shares owned by the NOBO.

VIFs, whether provided by the Corporation or by an intermediary, should be completed and returned in accordance with the specific instructions of the VIF. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on the Beneficial Shareholder's behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder, or the Beneficial Shareholder's nominee, the right to attend and vote at the Meeting.

**A Beneficial Shareholder who receives a VIF cannot use the form to vote Common Shares directly at the Meeting. The VIF must be returned to the intermediary (or instructions respecting the voting Common Shares must otherwise be communicated to the intermediary) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized at the Meeting for the purpose of voting Common Shares registered in the name of the broker, a Beneficial Shareholder may attend the meeting as proxy-holder for the registered Shareholder and vote Common Shares in that capacity. **Beneficial Shareholders who wish to attend the meeting and indirectly vote their Common Shares as proxy-holder for the registered holder, should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxy-holder.**

All references to Shareholders in this Information Circular and the accompanying form or proxy and Notice are to registered Shareholders unless specifically stated otherwise.

### **RECORD DATE, VOTING SECURITIES AND TEN PERCENT HOLDERS THEREOF**

The Shareholders of record at the close of business on the record date, set by the directors of the Corporation to be March 13, 2023 (the "**Record Date**"), are entitled to notice of, and to attend and vote at, the Meeting, except to the extent that: (i) such person transfers ownership of any of his or her Common Shares after the Record Date; (ii) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares; and (iii) the transferee makes a demand to Computershare, not later than ten (10) days before the Meeting, that his or her name be included on the Shareholders' list, in which case the transferee shall be entitled to attend and vote his or her shares at the Meeting.

As at the Record Date, 87,984,394 Common Shares were issued and outstanding. The Common Shares are entitled to be voted at the Meeting on the basis of one vote for each Common Share held. The Corporation does not have any other class of voting securities outstanding.

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

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Corporation's directors and executive officers, the only matters to be placed before the Shareholders at the Meeting are those matters set forth in the Corporation's accompanying Notice of Meeting relating to: (i) the receipt of the audited financial statements of the Corporation for the financial year ended December 31, 2022 and the auditor's report thereon; (ii) the fixing of the number of directors to be elected at the Meeting and the election of the directors of the Corporation for the ensuing year; (iii) the appointment of the auditors for the Corporation; and (iv) the approval of the Corporation's new restricted share unit plan.

#### **I. Financial Statements**

The Corporation will submit to the Shareholders at the Meeting the audited consolidated financial statements for the year ended December 31, 2022 together with the auditor's report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The audited consolidated financial

statements of the Corporation for the year ended December 31, 2022 are available on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") which can be accessed at [www.sedar.com](http://www.sedar.com). The audited consolidated financial statements have been approved by the Audit Committee and the board of directors of the Corporation (the "**Board of Directors**" or "**Board**").

## **II. Fixing Number of Directors**

The Board of Directors currently consists of seven (7) directors, all of whom are elected annually. The term of office for each of the present directors of the Corporation expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at seven (7). At the Meeting, the Shareholders will be asked to consider and, if thought advisable approve an ordinary resolution to fix the number of directors of the Corporation at seven (7). **It is the intention of the management designees, if named as proxy, to vote FOR setting the number of directors to be elected at seven (7), unless a Shareholder has specified in its proxy that its Common Shares are to be voted against such resolution.**

Each director elected at the Meeting will hold office until the next annual meeting of Shareholders or until their successor is duly elected or appointed pursuant to the by-laws of the Corporation, unless their office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta) (the "**ABCA**") or the by-laws of the Corporation. **It is the intention of the management designees, if named as proxy, to vote FOR the election of the persons listed in the table below to the Board of Directors, unless a Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the election of one or more directors.**

## **III. Election of Directors**

On March 15, 2017, the Board amended its majority voting policy (the "**Majority Voting Policy**") for the election of directors to provide for the following:

1. Any director must immediately tender their resignation to the Board if they are not elected by at least a majority (50% +1 vote) of the votes cast with respect to their election.
2. The Board must accept the resignation of the director, absent exceptional circumstances and the resignation will be effective when accepted by the Board.
3. The director(s) who tender a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or the Corporate Governance and Nominating Committee at which the resignation is considered.
4. If the Board determines not to accept a resignation, the Corporation must promptly issue a news release with the Board's decision, a copy of which must be provided to Toronto Stock Exchange ("**TSX**").

The policy provides that if a director standing for election or re-election in an uncontested election does not receive the vote of at least a majority of the votes cast at any meeting for the election of directors at which a quorum is present, the director will promptly tender their resignation to the Board. Within 90 days after the certification of the election results, the Board will decide, through a process managed by the Corporate Governance and Nominating Committee, whether to accept or reject the resignation and the Board's decision will be publicly disclosed. For more information regarding the Corporation's Majority Voting Policy, see "*Corporate Governance*".

The following table sets out information in respect of each of the nominees for director of the Corporation, and is based on information received by the Corporation from the nominees.

<b>Name, Residence and Position</b>	<b>Principal Occupation Last 5 Years</b>	<b>Director Since</b>	<b>Number of Common Shares Owned Directly or Indirectly</b>
<b>James G. Evaskevich</b> Calgary, Alberta <i>Chief Executive Officer and Director</i>	Chief Executive Officer of the Corporation since December 2001.	Dec 19, 2001	4,000,967 <sup>(4)</sup>
<b>Gordon A. Bowerman</b> <sup>(2)</sup> Calgary, Alberta <i>Chairman</i>	President of Cove Resources Ltd., a private oil and gas company based in Calgary, since 1987.	Dec 19, 2001	4,816,396 <sup>(5)</sup>
<b>Robert D. Weir</b> <sup>(1)(3)</sup> Calgary, Alberta <i>Director</i>	President of Weir Resource Management Ltd., a private company based in Calgary, since 1981 and President of a private reclamation company since 2000.	Nov 11, 2003	354,368 <sup>(6)</sup>
<b>Frederick (Ted) L. Morton</b> <sup>(2)</sup> Calgary, Alberta <i>Director</i>	Professor at the University of Calgary (1981-2017); MLA, Foothills-Rocky View (2004-2012); Alberta Cabinet Minister: Sustainable Resources, Finance & Energy (2006-2012); Executive Fellow, School of Public Policy, University of Calgary (2012-present).	Feb 25, 2014	290,600
<b>Neil M. MacKenzie</b> <sup>(1)(3)</sup> Calgary, Alberta <i>Director</i>	Independent businessman; Vice-President of Blackstone Drilling Fluids Ltd. (2010-2017); Vice President Newpark Resources (1976-2010); and President Challenger Energy Corp. (2004-2007).	Feb 25, 2014	1,114,200
<b>Dale A. Miller, PEng</b> <sup>(1)(3)</sup> Calgary, Alberta <i>Director</i>	President of Dark Horse Energy Consultants (2017-Present); COO at Hillcrest Petroleum (2018-Present); President of Long Run Exploration (2011-2016).	Apr 29, 2021	225,000
<b>Penelope (Penny) D. S. Payne, CPA CA</b> <sup>(2)</sup> Calgary, Alberta <i>Director</i>	President of Vercatis Consulting Ltd. (2010-Present); CFO at Yangarra Resources (2006-2010); Manager at MNP (1999-2002); Associate and Manager at PWC (1993-1999).	Apr 29, 2021	47,000

**Notes:**

- (1) Member of the Compensation Committee and Corporate Governance and Nominating Committee of the Board of Directors.
- (2) Member of the Audit Committee.
- (3) Member of the Reserves Committee.
- (4) Includes 1,002,071 Common Shares owned by Grassy Island Ranch Ltd., a private company controlled by Mr. Evaskevich.
- (5) Includes 278,054 Common Shares owned by the spouse of Mr. Bowerman, and 684,690 Common Shares owned by Cove Resources Ltd., a private company controlled by Mr. Bowerman.
- (6) Includes 29,722 Common Shares owned by Weir Resource Management Ltd., a private company controlled by Mr. Weir.



### ***Ownership of Shares***

The proposed directors of the Corporation as a group currently own, or exercise control or direction over, directly or indirectly, 10,848,531 Common Shares, representing 12.3% of the issued and outstanding Common Shares.

### ***Commission Orders***

To the knowledge of management of the Corporation, no proposed director is, as at the date hereof, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (i) was subject to an order that was issued while the proposed director was acting in their capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

### ***Bankruptcies***

To the knowledge of management of the Corporation, no proposed director of the Corporation is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal to creditors 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.

To the knowledge of management of the Corporation, no director or executive officer of the Corporation has, within 10 years before the date hereof, 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 its assets.

### ***Penalties or Sanctions***

To the knowledge of management of the Corporation, no proposed director of the Corporation has been 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **IV. Appointment of Auditors**

The Board of Directors has recommended that MNP LLP, Chartered Professional Accountants ("**MNP**"), be re-appointed as auditors of the Corporation for the ensuing year. MNP was first appointed as the auditors of the Corporation by the Board of Directors on December 8, 2015.

At the Meeting, Shareholders will be asked to re-appoint MNP as auditors of the Corporation to serve until the close of the next annual meeting of the Shareholders at a remuneration to be fixed by the Board of Directors.

**It is the intention of the management designees, if named as proxy, to vote FOR the appointment of MNP as auditors of the Corporation, at a remuneration to be fixed by the Board of Directors, unless a Shareholder has specified in its proxy that its Common Shares are to be withheld from voting on the appointment of auditors.**

## **V. Restricted Share Unit Plan**

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution in the form set out below, approving a new restricted share unit plan for the Corporation (the "**RSU Plan**").

**As the Corporation transitions to the RSU Plan, the existing stock option plan approved by Shareholders on April 30, 2020 (the "Existing Option Plan") will not be renewed and will no longer be in effect pursuant to the terms of the Existing Option Plan as of April 30, 2023. All existing stock options granted under the Existing Option Plan (the "Existing Options") will remain in place and will be reduced over time through the expiry or exercise of such Existing Options.**

On March 1, 2023, the Board approved the RSU Plan, in the form attached hereto as Schedule "A", subject to the receipt of Shareholder and TSX approval. In adopting the RSU Plan, the Board considered its goal of attracting and retaining key personnel. Accordingly, the RSU Plan provides directors, officers, employees and consultants of Yangarra with the opportunity to acquire restricted share units ("**RSUs**") to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders. The RSU Plan also focuses directors, officers, employees and consultants of Yangarra on operating and financial performance, and long-term shareholder value and motivates and rewards such individuals for their performance and contributions to the Corporation's long-term success.

The RSU Plan will be administered by the Board of Directors which may, in turn, delegate to the Compensation Committee or such other committee of the Board as may be appointed by the Board of Directors to administer the RSU Plan.

No RSUs have been granted as of the date hereof.

A summary of the material terms of the RSU Plan is set forth below.

### **Participants**

Under the RSU Plan, the Board may grant RSUs to directors, officers, employees, individuals providing management services or consultants of, or a person or company engaged by, the Corporation or an affiliate of the Corporation to provide services (the "**Participants**"). The Board, in its sole discretion, shall determine which Participants will participate in the RSU Plan. Eligibility to participate in the RSU Plan does not confer upon any individual a right to receive an award of RSUs pursuant to the RSU Plan.

### **Rolling Plan**

The RSU Plan is a 10% rolling plan, such that, subject to adjustments and any Existing Options, the aggregate number of Common Shares that may be issued under the RSU Plan is limited to 10% of the issued and outstanding Common Shares on a non-diluted basis at any time. This prescribed maximum may be subsequently increased to any specified amount, provided the increase is authorized by a vote of the Shareholders and RSUs may be granted in excess of the limit prescribed above provided such RSUs may not vest or be settled until the increase is authorized by a vote of the Shareholders.

The Board shall not grant RSUs under the RSU Plan if the number of Common Shares issuable pursuant to outstanding RSUs, when combined with the number of Common Shares issuable pursuant to Existing Options granted under the Existing Option Plan and outstanding convertible securities under any other security-based compensation arrangements of the Corporation, would exceed 10% of the issued and outstanding Common Shares at the time of the grant.

As of the date of this Information Circular, there are 7,771,340 Existing Options granted under the Existing Option Plan (representing approximately 8.84% of the outstanding Common Shares), which means that if the RSU Plan is adopted, the Board would currently be permitted to grant 1,027,099 RSUs (representing approximately 1.16% of the outstanding Common Shares) under the RSU Plan.

### **Vesting**

Each RSU will vest in such manner as determined by the Board at the time of grant, provided that the vesting of RSUs will not extend beyond November 30 of the third calendar year following the calendar year in respect of which an RSU is granted (the "**Service Year**").

### **Blackout Periods**

In the event an RSU will be settled within a black-out period (the "**Black-Out Period**"), the settlement date for such RSU will be automatically postponed without further act or formality until the earlier of the tenth business day following the end of the Black-Out Period and December 31 of the third year following the Service Year for the particular RSU.

### **Limitations**

The RSU Plan includes the following additional limitations:

- a) the number of securities issued to insiders of the Corporation, within any one year period, under all security based compensation arrangements, including the RSU Plan and the Existing Option Plan, shall not exceed 10% of the issued and outstanding securities of the Corporation calculated on a non-diluted basis;
- b) the number of Common Shares issued to any one insider of the Corporation and such insider's associates, within any one year period, under all security based compensation arrangements of the Corporation, including the RSU Plan and the Existing Option Plan, shall not exceed 10% of the issued and outstanding securities of the Corporation calculated on a non-diluted basis; and
- c) the number of securities issuable to insiders of the Corporation, at any time, under all security based compensation arrangements including, the RSU Plan and the Existing Option Plan, shall not exceed 10% of the issued and outstanding securities of the Corporation calculated on a non-diluted basis.

### **Award Value**

The value of the RSU payable to a Participant shall be determined as of the applicable vesting date (the "**Award Value**"). The Award Value will be calculated based on an amount equal to (i) the number of vested RSUs multiplied by (ii) the last closing price of the Common Shares on the TSX on the last trading immediately preceding the applicable vesting date (the "**Market Price**").

## **Settlement**

The Board may determine whether the Award Value for vested RSUs will be settled by way of (i) a cash payment, (ii) payment in Common Shares (on the basis of one Common Share for each vested RSU being settled in Common Shares) acquired by the Corporation on the TSX, (iii) payment in Common Shares (on the basis of one Common Share for each vested RSU being settled in Common Shares) issued from the treasury of the Corporation, or (iv) a combination of such methods. Settlement of vested RSUs in cash shall be made by way of a lump sum payment of an amount equal to the Market Price on the relevant settlement date multiplied by the number of vested RSUs being settled in cash as of such date, unless otherwise directed by the Corporation. No fractional Common Shares will be issued and any fractional vested RSUs shall be settled in cash based on the Market Price on the relevant settlement date.

## **Termination of a Participant**

If the employment or services of the Participant are terminated without Cause (as such term is defined in the RSU Plan) or due to Disability or Retirement (as such terms are defined in the RSU Plan), or a Participant standing for election as a director fails to be re-elected, or the Corporation or an affiliate of the Corporation fails to renew a contract for services at the end of its terms, then all RSUs that have not previously vested will expire on the Termination Date (as such term is defined in the RSU Plan) and be forfeited to the Corporation.

## **Termination With Cause or Resignation of a Participant**

If the employment or services of the Participant are terminated with Cause or due to disability or retirement that does not meet the requirements set forth in the RSU Plan, or as a result of the Participants voluntary resignation, then all RSUs that have not previously vested will expire on the Termination Date and be forfeited to the Corporation.

## **Death of a Participant**

Upon the death of a Participant, any unvested RSUs will expire on the date of death and be forfeited to the Corporation.

## **Change of Control**

In the event of a Change of Control (as such term is defined in the RSU Plan), all unvested RSUs shall vest on the Change of Control Date (as such term is defined in the RSU Plan) and will be settled by a lump sum cash payment on the Change of Control Date in accordance with the terms of the RSU Plan.

## **Dividends**

In the event that the Corporation declares and pays a dividend on the Common Shares, the Participant will be granted a number of dividend equivalent RSUs (a "**Dividend Equivalent**"). Such Dividend Equivalent, if any, shall be computed by dividing (i) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of outstanding vested RSUs held by the Participant on the record date for payment of such dividend, by (ii) the last closing price of the Common Shares on the TSX two trading days prior to the dividend record date. The additional RSUs granted to each Participant as Dividend Equivalents will be subject to the same terms and conditions in the Participant's existing RSU Agreement (as such term is defined in the RSU Plan), including, for greater certainty, the vesting date of such additional RSUs.

## Assignment

Except as required by law, the rights of a Participant under the RSU Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged, and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

## Amendments

The Board of Directors may amend the RSU Plan in any way, or discontinue or terminate the RSU Plan altogether, and may amend, in any way, any RSU granted under the RSU Plan at any time without the consent of a Participant, provided that TSX approval is obtained and such amendment shall not adversely alter or impair any RSU previously granted under the RSU Plan or any related RSU Agreement, except as otherwise permitted under the RSU Plan and further provided that no amendment will cause the RSU Plan or any RSU to cease to comply with paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada). In addition, the Board of Directors may, by resolution, make any amendment to the RSU Plan or any RSU granted under it (together with any related RSU Agreement) without shareholder approval, provided however, that the Board of Directors will not be entitled to amend the RSU Plan or any RSU granted under it without shareholder (disinterested shareholder approval if applicable) in order to: (i) increase the maximum number of Common Shares issuable pursuant to the RSU Plan; (ii) cancel an RSU and subsequently issue to the holder of such RSU a new RSU in replacement thereof; (iii) permit the assignment or transfer of an RSU other than as provided for in the RSU Plan; (iv) add to the categories of persons eligible to participate in the RSU Plan; (v) remove or amend Section 4.3(c) of the RSU Plan; or (vi) remove or amend Section 2.6(a) of the RSU Plan.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, approve the following ordinary resolution (the "**RSU Plan Resolution**"):

"BE IT RESOLVED, as an ordinary resolution of holders of common shares ("**Common Shares**") of Yangarra Resources Ltd. (the "**Corporation**") that, subject to the approval of the Toronto Stock Exchange:

1. The restricted share unit plan (the "**RSU Plan**"), in the form attached as Schedule "A" to the Information Circular of the Corporation dated March 13, 2023, be and the same is hereby authorized, confirmed, ratified and approved.
2. The Corporation be and is hereby authorized to grant restricted share units ("**RSUs**") under the RSU Plan until April 27, 2026, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought.
3. The Board of Directors of the Corporation be and is hereby authorized on behalf of the Corporation to make any further amendments to the RSU Plan as may be required by the regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the RSU Plan.
4. Any one director or officer of the Corporation be and is hereby authorized to execute and deliver all such agreements and documents, whether under the corporate seal or otherwise, and to take all action, as such officer or director shall deem necessary or appropriate to give effect to the foregoing resolutions.
5. The Board of Directors of the Corporation is hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

**The Board of Directors recommends that the Shareholders vote in favour of the RSU Plan Resolution. To be effective, the RSU Plan Resolution must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy at the Meeting on the RSU Plan Resolution. In the absence of a contrary instruction, the person designated by management of the Corporation in the enclosed form of proxy intends to vote in favour of the RSU Plan Resolution.**

### **STATEMENT OF EXECUTIVE COMPENSATION**

Form 51-102F6 *Statement of Executive Compensation*, defines "Named Executive Officers" ("NEOs") as the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and each of the Corporation's three most highly compensated officers, other than the CEO and CFO, who were serving as officers at the end of the most recent fiscal year and whose total compensation amounted to \$150,000 or more.

**As the Corporation was in the process on implementing a new compensation program along with the new RSU Plan, there were no bonuses or RSU grants during 2022. The new compensation program will come into effect starting 2023 and the new RSU Plan is being voted on in this Information Circular.**

#### **Compensation Committee Mandate**

The Compensation Committee formulates and makes recommendations to the Board in respect of compensation issues relating to directors, officers and employees of the Corporation. Without limiting the generality of the foregoing, the Compensation Committee has the following duties:

- to review the compensation philosophy and remuneration policy for employees of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
- to consider the implications and the risks associated with the Corporation's compensation policies and practices;
- to review and recommend to the Board the retainer and fees to be paid to members of the Board, members of committees of the Board, and chairs of the various committees of the Board;
- to review and approve corporate goals and objectives relevant to the compensation of CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on such evaluation;
- to recommend to the Board with respect to non-CEO officer and director compensation including to review management's recommendations for proposed RSU or other incentive-compensation plans and equity-based plans for non-CEO officer and director compensation and make recommendations in respect thereof to the Board;
- to administer the Corporation's RSU plan and other such incentive-compensation plans which may approved by the Board from time to time in accordance with their terms including the recommendation to the Board of the grant of RSUs or other incentives in accordance with the terms thereof;
- to determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate; and

- to prepare and submit a report of the Compensation Committee to the Board in respect of the disclosures required by applicable securities laws to be provided by the Corporation in its Statement of Executive Compensation to be included in the annual information circular - proxy statement of the Corporation and review other executive compensation disclosure before the Corporation publicly discloses such information.

The Compensation Committee is required to be comprised of at least three directors, or such greater number as the Board may determine from time to time. All members of the Compensation Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Compensation Committee, meetings of the Committee are to take place at least one time per year and at such other times as the Chair of the Compensation Committee may determine.

### **Compensation Consultant or Advisor**

In November 2022, the Corporation retained Lane Caputo Compensation Inc. (the "**Consultant**") to assist the Compensation Committee and the Board in reviewing the compensation programs. The mandate given to the Consultant included, without limitation: (i) review of the Corporation's current approach to executive and independent director compensation and the appropriateness of the Corporation's benchmarking group of companies for benchmarking compensation; (ii) review the alignment of the Corporation's current approach to executive compensation to its business strategy within the context of peer and best practices; (iii) the identification of appropriate benchmarks for comparable executive positions; (iv) a review of the competitiveness of the Corporation's total compensation package; and (v) the development of directional recommendations for the Compensation Committees' consideration.

The Consultant is an executive compensation consulting firm specializing in executive and board of director compensation reviews, strategic short- and long-term incentive design, executive retention issues and compensation and executive contract issues surrounding mergers and acquisitions. The Consultant provides carefully researched and objective advice, supporting their clients in their common pursuit of practical and defensible pay policies, plans and practices, enhancing shareholder value while recognizing local market pressures.

As a specialty executive compensation firm, all of the Consultant's projects start, as a necessity with a thorough understanding of business strategy, corporate values and an understanding of how executive and management positions can affect strategy. Using this top-down approach, the Consultant starts with a discussion of the client's business strategy, operations and key milestones that allows the incorporation of the organization's short and long-term goals and objectives into a well-defined compensation philosophy that will guide the design of their compensation programs.

In the most recently completed financial year, December 31, 2022, the Consultant was paid fees in the aggregate amount of \$39,000 (2021: \$nil) for services related to determining compensation for the Corporation's directors and executive officers.

### **Executive Compensation**

#### ***Design and Objectives***

The Corporation's executive compensation program is designed to provide incentives for the enhancement of Shareholder value, the successful implementation of the Corporation's business plan and improvement in corporate performance. The program is based on a pay-for-performance philosophy and is comprised of the following components: base salary, discretionary annual incentives and long-term incentives.

The overall objectives of the program are to:

- align the executive compensation with Shareholders' interests;
- attract and retain qualified management critical to the Corporation's success;
- provide incentives which encourage superior corporate performance and retention of highly skilled and talented employees;
- provide fair and competitive compensation;
- focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- provide market competitive compensation that is substantially performance based by ensuring that a significant portion of annual (cash bonuses) and long-term incentive compensation (RSUs) is tied to corporate performance and shareholder return and, therefore, is at risk (not guaranteed) and variable year-over-year.

The Compensation Committee and Board of Directors annually review and approve the compensation packages, including salary level, bonus potential and entitlement and participation in long-term incentives. The Compensation Committee compares the Corporation's level of overall compensation with those of comparable sized oil and gas exploration companies. The Corporation's total compensation mix places a portion of the executive's compensation at risk by taking into account individual and corporate performance. Compensation practices, including the base salary, discretionary bonuses where appropriate, and long-term incentives, are regularly assessed to ensure they are competitive, take into account the external market trends, and support the Corporation's long-term growth strategies.

When determining executive compensation under each element of compensation, the Corporation relies on a variety of information sources to assess the competitiveness of its compensation program. Management reviews the compensation practices of companies in a selected peer group for salary levels, bonuses and long-term incentives and then compiles the information and reports its findings to the Compensation Committee. The companies in the peer group operate in a similar business environment and are of similar size, scope and complexity. The Corporation's peer group for these purposes is selected based upon such factors as market capitalization, production, revenue, and total assets. Currently, the Corporation's peer group consists of the following companies:

- Athabasca Oil Corporation
- Bonterra Energy Corp.
- Cardinal Energy Ltd.
- Crew Energy Inc.
- Gear Energy Ltd.
- Headwater Exploration Inc.
- InPlay Oil Corp.
- Journey Energy Inc.
- Lucero Energy Corp.
- Obsidian Energy Ltd.
- Petrus Resources Ltd.
- Pine Cliff Energy Ltd.
- Pipestone Energy Corp.
- Surge Energy Inc.
- Tamarack Valley Energy Ltd.

Changes to the peer group occur regularly given the nature of the oil and gas industry as companies merge, are acquired and change over time. In addition, changes to the benchmarking group may be made from time to time as recommended by management.



### ***Base Salary***

The Corporation pays competitive base salary to each executive determined by particular skills and capabilities of the individual, job responsibilities, and consideration of competitive compensation levels for the markets in which the Corporation operates. Salaries for executive officers are reviewed annually by the Management Committee, based on a review of corporate and personal performance and individual levels of responsibility, as well as comparable industry peer groups. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the CEO for the executive officers. The Compensation Committee, guided by the Corporation's compensation philosophy, attempts to ensure that the compensation of senior executives provides a competitive base compensation package and strong link between corporate performance and compensation, in order to attract, retain and motivate highly qualified personnel.

### ***Short-Term Incentive Compensation – Annual Cash Bonuses***

Annual cash bonuses are intended to reward performance by our executive officers in the achievement of our strategic goals and objectives and are consistent with our compensation philosophy where a significant component of executive compensation is variable and performance related. The bonus element of Yangarra's executive compensation program is designed to reward both corporate and individual performance during the Corporation's last completed financial year. Cash bonuses are performance-based and are designed to provide a range of potential multipliers to base salary, calculated on the basis of specific predetermined corporate performance measures established by the Compensation Committee and the Board.

### ***Long-Term Incentive Compensation***

The newly-adopted RSU plan and the Existing Option Plan are full-value award plans that currently form the primary basis of the long-term incentive compensation program, pursuant to which bonus awards may be granted to directors, officers, employees and consultants.

Each RSU bonus award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award (plus dividend equivalents if not previously paid in cash) on dates determined by the Compensation Committee.

RSU grants are performance-based and are designed to provide a range of potential multipliers to base salary, calculated on the basis of specific predetermined corporate performance measures established by the Compensation Committee and the Board.

### ***Performance Multipliers***

In 2023, the executive officers will have a potential annual cash bonus and RSU multiplier of between 0% and 200% of base salary for executive officers. Once the range of bonus multipliers is established, based solely upon the predetermined corporate performance measures, the Compensation Committee then uses its discretion, in conjunction with consultation with management, to determine the final bonus multipliers to be recommended to the Board, with consideration being given to both the Corporation's performance relative to the strategic objectives, as well as various subjective criteria including, without limitation, prevailing market conditions and an assessment of individual performance.

The Compensation Committee recommended, and the Board approved, the establishment of the corporate performance measures listed below (and the weighting of each measure) for purposes of calculating the percentile ranking. The percentile ranking is then used to determine the range of bonus multipliers as a

percentage of salary. The Compensation Committee recommended, and the Board approved, the target range bonus multipliers of salary for NEOs for the year ending December 31, 2022 as outlined below.

- Financial metrics (15% weighting)
  - Return on capital employed.
  - Profit margin
  - Cash flow margin
- Operational metrics (15% weighting)
  - Operating costs / boe
  - G&A / boe
  - Operating margin
- Market metrics (15% weighting)
  - Share price appreciation (%)
  - Return on capital
- Reserves metrics (15% weighting)
  - F&D costs
  - Recycle ratio
- ESG metrics (15% weighting)
  - ARO / production base
  - Spills
  - Lost time incidents
- Subjective (25%)
  - Individual performance
  - Staff count
  - Other

Cash Bonus and RSUs as a % of Salary:

- Maximum (Top Company) = 200%-150%
- 100 - 75<sup>th</sup> Percentile = 125%
- 75 - 50<sup>th</sup> Percentile = 100%
- 50- 25<sup>th</sup> Percentile = 75%
- 25- 0 Percentile = 50%
- Minimum (Worst Company) = 25% -0%

### ***Risk Implications Associated with Compensation Policies and Practices***

As described herein, the Corporation's executive compensation program is administered by the Compensation Committee. In carrying out its mandate, the Compensation Committee reviewed the elements of compensation of the Corporation to identify any risks arising from the Corporation's compensation policies and practices that could reasonably be expected to have a material adverse effect on the Corporation as well as the practices used to mitigate any such issues. The Compensation Committee has determined that the compensation program and policies of the Corporation do not encourage its senior executives to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (i) the compensation program of the Corporation attempts to achieve a balance between cash and equity-based compensation which are based both on individual and corporate performance, both financial and non-financial and the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies; (ii) the Corporation's compensation policies and practices are generally uniform throughout the organization and there are no significant differences in compensation structure among the senior executives; (iii) in exercising its discretion under the cash bonus plan and RSU grants, the Compensation Committee reviews individual and corporate performance taking into account the long-term interests of the Corporation;; (v) using a variety

of measures to assess corporate performance; (vi) RSUs generally vest over a three-year period which further mitigates any short-term risk taking potential; and (vii) results of annual assessments of personal contributions of senior executives' goals, objectives and performance are reviewed and considered in awarding compensation and such discretionary judgement is applied in awarding both discretionary bonuses under the cash bonus plan, RSU grants and future compensation.

### ***Restrictions on Purchase of Financial Instruments***

The Corporation's Disclosure, Confidentiality and Trading Policy provides that directors, officers and all employees of the Corporation, are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held, directly or indirectly, by such individuals. Accordingly, each of the directors and executive officers of Yangarra have affirmed that they have not engaged in such activities.

### ***Review/Modifications***

The Corporation's executive compensation program is reviewed and considered at least annually by the Compensation Committee and the Board of Directors to determine if the objectives of the program are being achieved and whether any modifications to that program are required. This includes a review of base salaries, annual incentives, and entitlement and participation in long-term equity-based incentives.

### ***Clawback Policy***

Yangarra has adopted a formal recoupment or "clawback" policy on executive incentive compensation, including, without limitation, bonuses and bonus awards, that may be awarded to our CEO and any of our NEOs when (i) any of these executives engages in willful misconduct or fraud which causes or significantly contributes to a restatement of the financial statements due to material noncompliance with any applicable financial reporting requirement under securities laws, (ii) the executive receives incentive compensation calculated on the achievement of those financial results, and (iii) the incentive compensation received would have been lower had the financial statements been properly reported. The policy provides that when a clawback is triggered, the Board may, in its sole discretion and to the extent that it determines it is in the best interests to do so, require the executive to repay the amount of incentive compensation relating to the year(s) subject to the restatement (or received upon exercise or payment of incentive compensation in or following the year(s) subject to the restatement) that is in excess of the incentive compensation the executive would have received if the incentive compensation had been computed in accordance with the results as restated, calculated on an after tax basis.

### ***Existing Option Plan***

As the Corporation intends to transition to the RSU Plan, the Corporation is not seeking Shareholder approval for the renewal of unallocated stock options under the Existing Option Plan. All Existing Options remain in place and will be reduced over time through the expiry or exercise of such Existing Options.

The Existing Option Plan is administered by the Board of Directors. Pursuant to the terms of the Existing Option Plan, directors, officers, employees and consultants of the Corporation are eligible for selection to participate in the Existing Option Plan as an incentive to achieve the longer-term objectives of the Corporation. The purpose of the Existing Option Plan was to advance the interests of the Corporation by giving suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation, and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The Compensation Committee determined, based on the President and CEO's recommendations, to whom options would be granted, the terms and provisions of the respective option agreements, the time(s) at which such options would be granted and vested, and the number of Common Shares purchasable pursuant to each option.

Previous grants of option-based awards were taken into account when considering new grants. The number of options granted to any optionee was a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Corporation, the number of options that have already been granted to the optionee and such other factors as the Board of Directors may consider relevant.

The Existing Option Plan provided that the Board of Directors may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The Existing Option Plan provided for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the policies of the TSX.

The number of Common Shares reserved for any one person may not exceed 5% of the issued and outstanding Common Shares. The maximum aggregate number of Common Shares that may be issued to: (a) directors and officers of the Corporation; (b) a director or officer of a person or company that is an insider or subsidiary of the Corporation; (c) a person or company that beneficially owns or controls, directly or indirectly, more than 10% of the issued and outstanding Common Shares, within any one year period and with any other security-based compensation arrangements of the Corporation, is 10% of the Common Shares then issued and outstanding.

At the time of granting an option under the Existing Option Plan, the Board of Directors would determine the exercise price, which is subject to minimum pricing restrictions and shall not to be less than the "current market price" for the Common Shares which means the closing trading price of the Common Shares on the TSX on the trading day immediately preceding such date.

The Board of Directors determined the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the TSX.

Options granted under the Existing Option Plan are exercisable for up to five years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. Options under the Existing Option Plan are non-assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of Common Shares purchasable by the holder immediately prior to the time of his or her cessation of office or employment and the holder shall have no right to purchase any other Common Shares. Options may be exercised for a period of 30 days from the date of termination of employment or cessation of position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death or disability, the option may be exercised for a period of 180 days from the date of the death or the entitlement to long-term disability payments, respectively.

The Board of Directors may at any time, but subject always to the receipt of required regulatory approvals, alter, amend or revise the terms and conditions of the Existing Option Plan or of any outstanding options or suspend, discontinue or terminate the Existing Option Plan or any portion hereof, all provided that, without the prior written consent of an optionee, no such action shall adversely affect any options previously granted to such optionee.

As of the date of this Information Circular, options to acquire an aggregate of 7,771,340 Common Shares, representing approximately 8.84% of the outstanding Common Shares, are outstanding under the Existing Option Plan, which leaves 1,027,099 unallocated options (representing approximately 1.16% of the outstanding Common Shares) available for grant under the Existing Option Plan as of the date of this Information Circular. The maximum number of Common Shares that may be reserved for issuance under the Existing Option Plan at any time may not exceed 10% of the aggregate number of Common Shares

actually outstanding at that time, as determined on a non-diluted basis. There were 1,060,779 options to acquire Common Shares exercised during the fiscal year ended December 31, 2022 by NEOs.

### ***Retirement Provision***

As a general policy of the Board if a employee provides six months prior written notice of their retirement and if: (i) they are over 60 years old and have provided more than six years of continuous service, they shall be entitled to retain all of their RSUs upon ceasing to be an employee; and (ii) they are over 55 years old and provided more than 10 years of continuous service, they shall be entitled to retain all of their RSUs. In each case the retiring employee is required to sign a non-competition and non-solicitation agreement with the Corporation. The Board shall have discretion on RSU retention, if a retirement is driven by illness of the executive or their spouse or other special circumstances.

### ***Directors' and Officers' Liability Insurance Policy***

The Corporation maintains a directors' and officers' liability insurance policy. The policy provides coverage for costs incurred to defend and settle claims against directors and officers.

### ***Minimum Share Ownership Requirements***

The Corporation has the following share ownership requirements for executives and directors. An employee or director has three years from the later of their start or the date of this Information Circular to reach these targets.

- Chief Executive Officer: 3 times base salary
- Management Committee Members: 2 times base salary
- Other Named Executives: 1 times base salary
- Board Members: 3 times annual retainer

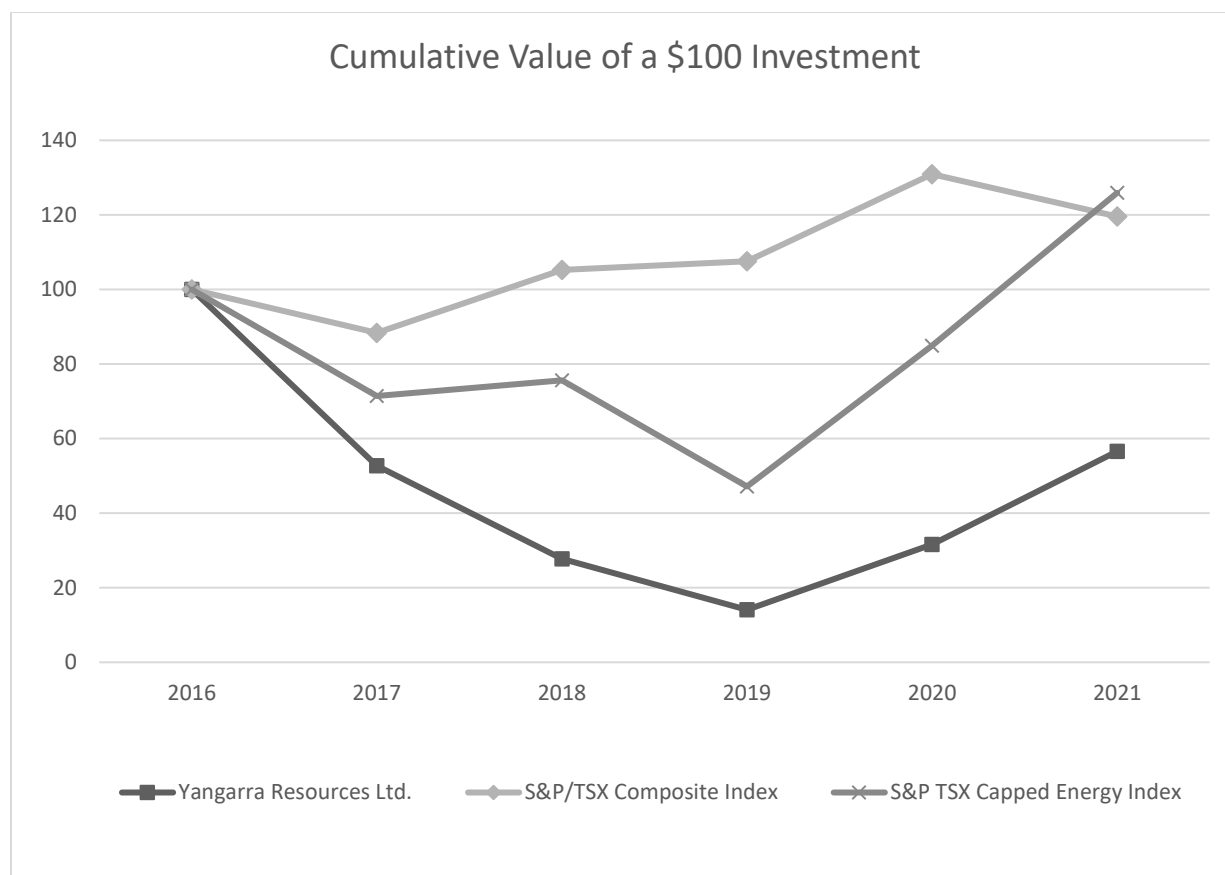
Name	Minimum Share Ownership Requirement <sup>(1)</sup>	Existing Shareholding	Requirement Satisfied
James Evaskevich	427,046	4,000,967	Yes
Gurdeep Gill	320,285	768,821	Yes
Trish Olynyk	320,285	1,500,894	Yes
James Glessing	320,285	750,000	Yes
Brett Booth <sup>(2)</sup>	245,552	83,000	No
Gordon Bowerman	48,043	4,816,396	Yes
Robert Weir	48,043	354,368	Yes
Ted Morton	48,043	290,000	Yes
Neil MacKenzie	48,043	1,114,200	Yes
Dale Miller <sup>(3)</sup>	48,043	225,000	Yes
Penny Payne <sup>(3)</sup>	48,043	47,000	No

**Notes:**

- (1) Calculated based on the closing price of the Common Shares on December 31, 2022, the last day during which the Common Shares traded in the financial year ended December 31, 2022 (\$2.81 per Common Share).
- (2) Mr. Booth was appointed as an officer on July 28, 2021.
- (3) Dale Miller and Penny Payne became members of the Board of Directors on April 29, 2021.

***Performance Graph***

The following performance graph illustrates, over the five-year period ended December 31, 2022, the cumulative return to Shareholders of an investment in the Common Shares of the Corporation compared to the cumulative total Shareholder return on the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration and Production Index, assuming the reinvestment of dividends, where applicable.



<b>December 31,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Yangarra Resources Ltd.</b>	\$100	\$53	\$28	\$14	\$32	\$57
<b>S&amp;P/TSX Composite Index</b>	\$100	\$88	\$105	\$108	\$131	\$120
<b>S&amp;P/TSX Capped Energy Index</b>	\$100	\$71	\$76	\$47	\$85	\$126

The Corporation's Compensation Committee, when determining bonuses for NEOs, takes into account the current economic conditions and individual and corporate performance along with other relevant factors as set forth above. Compensation for NEOs has increased but it is not directly linked to the price of the Corporation's Common Shares.

The total compensation for the executive officers is affected by increases and decreases in the price of Common Shares as the value of option-based awards increase or decrease as Common Share prices increase or decrease. Option-based awards and bonuses (to the extent that such payments are based on meeting corporate performance expectations) represent "at risk" compensation which help align the total return on the Common Shares and the compensation received by our executive officers. This distinction is important because a significant portion of NEO total compensation is in the form of long-term incentives, which are directly linked to performance, and therefore the actual payout values can vary significantly from the value reported in the Summary Compensation Table.

## Summary Compensation Table

During the financial year ended December 31, 2022, the Corporation had five NEOs. The following table and the notes thereto sets forth the total compensation paid or earned for the three most recently completed fiscal years to each of its NEOs.

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option – based Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans <sup>(2)</sup>	Long-term incentive plans			
<b>James Evaskevich</b> <sup>(6)</sup> Chief Executive Officer	2020	\$300,000	Nil	\$556,386	Nil	Nil	Nil	Nil	\$856,386
	2021	\$400,000	Nil	\$210,731	\$60,000	Nil	Nil	Nil	\$670,731
	2022	\$400,000	Nil	Nil	Nil	Nil	Nil	Nil	\$400,000
<b>Gurdeep Gill</b> <sup>(6)</sup> President	2020	\$240,000	Nil	\$124,744	Nil	Nil	Nil	Nil	\$364,744
	2021	\$260,000	Nil	Nil	\$50,000	Nil	Nil	Nil	\$310,000
	2022	\$300,000	Nil	\$119,044	Nil	Nil	Nil	Nil	\$419,044
<b>Trish Olynyk</b> <sup>(6)</sup> Executive Vice President	2020	\$250,000	Nil	\$244,378	Nil	Nil	Nil	Nil	\$491,378
	2021	\$290,000	Nil	\$154,299	\$50,000	Nil	Nil	Nil	\$494,299
	2022	\$300,000	Nil	Nil	Nil	Nil	Nil	Nil	\$300,000
<b>James Glessing</b> <sup>(6)</sup> Chief Financial Officer	2020	\$240,000	Nil	\$212,242	Nil	Nil	Nil	Nil	\$452,242
	2021	\$260,000	Nil	\$78,571	\$50,000	Nil	Nil	Nil	\$388,571
	2022	\$300,000	Nil	Nil	Nil	Nil	Nil	Nil	\$300,000
<b>Brett Booth</b> <sup>(3)(6)</sup> Vice President, Land	2021	\$96,250	Nil	\$131,854	\$15,000	Nil	Nil	Nil	\$146,854
	2022	\$230,000	Nil	\$119,044	Nil	Nil	Nil	Nil	\$349,044
<b>Randall Faminow</b> <sup>(4)</sup> Vice President, Land	2020	\$250,000	Nil	\$112,324	Nil	Nil	Nil	Nil	\$362,324
	2021	\$145,833	Nil	Nil	Nil	Nil	Nil	Nil	\$145,833
<b>Lorne Simpson</b> <sup>(5)</sup> Vice President, Operations	2020	\$260,000	Nil	\$190,676	Nil	Nil	Nil	Nil	\$450,676
	2021	\$300,000	Nil	\$180,439	\$55,000	Nil	Nil	Nil	\$535,439
	2022	\$113,710	Nil	Nil	Nil	Nil	Nil	\$552,500	\$666,210

### Notes:

- (1) Based on the grant date fair value of the applicable awards. The fair value of options granted are estimated at the date of grant using the Black-Scholes option pricing model based on the following assumptions: 66% expected volatility, 2.18% risk free rate and a 4.00-year expected life. The Black-Scholes option-pricing methodology was selected due to its acceptance as an appropriate evaluation model used for similar sized oil and gas companies.
- (2) Annual Incentive Plan payments consist solely of discretionary cash bonuses.
- (3) Mr. Booth was appointed as an officer on July 28, 2021.
- (4) Mr. Faminow ceased to be an officer on July 28, 2021.
- (5) Mr. Simpson ceased to be an officer on May 17, 2022 and his management contract was bought out for \$552,500.
- (6) Member of the Management Committee.



## Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the options granted to NEOs to purchase or acquire securities of the Corporation outstanding at the end of the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of share-based awards not paid out or distributed (\$)
James Evaskevich	285,000	\$0.50	May 20, 2025	\$658,350	Nil	Nil	N/A
	277,223	\$0.67	May 20, 2025	\$593,257	Nil	Nil	
	83,333	\$0.61	Dec 1, 2025	\$183,333	Nil	Nil	
	700,000	\$0.58	Dec 2, 2025	\$1,561,000	Nil	Nil	
	44,445	\$1.13	Mar 10, 2026	\$74,668	Nil	Nil	
	133,335	\$1.48	Sep 21, 2026	\$177,336	Nil	Nil	
	133,333	\$1.65	Nov 16, 2026	\$154,666	Nil	Nil	
	1,656,669			\$3,402,610	Nil	Nil	
Gurdeep Gill	100,000	\$1.31	Dec 17, 2024	\$150,000	Nil	Nil	N/A
	195,000	\$0.50	May 20, 2025	\$450,450	Nil	Nil	
	300,000	\$0.58	Dec 2, 2025	\$669,000	Nil	Nil	
	100,000	\$2.45	Mar 21, 2027	\$36,000	100,000	\$36,000	
	695,000			\$ 1,305,450	100,000	\$36,000	
Trish Olynyk	245,000	\$0.50	May 20, 2025	\$565,950	Nil	Nil	N/A
	66,667	\$0.67	Jun 3, 2025	\$142,667	Nil	Nil	
	50,000	\$0.61	Dec 1, 2025	\$110,000	Nil	Nil	
	400,000	\$0.58	Dec 2, 2025	\$892,000	Nil	Nil	
	55,556	\$1.13	Mar 10, 2026	\$93,334	Nil	Nil	
	111,111	\$1.48	Sep 21, 2026	\$147,778	Nil	Nil	
	66,667	\$1.65	Nov 16, 2026	\$77,334	Nil	Nil	
	995,001			\$2,029,063	Nil	Nil	
James Glessing	195,000	\$0.50	May 20, 2025	\$450,450	Nil	Nil	N/A
	77,778	\$0.67	Jun 3, 2025	\$166,445	Nil	Nil	
	33,333	\$0.61	Dec 1, 2025	\$73,333	Nil	Nil	
	300,000	\$0.58	Dec 2, 2025	\$669,000	Nil	Nil	
	38,889	\$1.13	Mar 10, 2026	\$65,334	Nil	Nil	
	22,223	\$1.48	Sep 21, 2026	\$29,557	Nil	Nil	
	60,000	\$1.65	Nov 16, 2026	\$69,600	Nil	Nil	
	727,223			\$1,523,719	Nil	Nil	
Brett Booth <sup>(2)</sup>	200,000	\$1.40	Jun 21, 2026	\$282,000	Nil	Nil	N/A
	100,000	\$2.45	Mar 21, 2027	\$36,000	100,000	\$36,000	
	300,000			\$318,000	100,000	\$36,000	

### Notes:

- (1) Calculated based on the difference between the closing price of the Corporation's Common Shares on December 31, 2022, the last day during which the Common Shares traded in the financial year ended December 31, 2022 (\$2.81 per Common Share), and the exercise price of the options.
- (2) Mr. Booth was appointed as an officer on July 28, 2021.

### ***Incentive Plan Awards – Value Vested or Earned during the Year***

The following table sets forth the value of all indicated compensation awards that vested or were earned during the most recently completed financial year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
James Evaskevich	\$419,113	N/A	Nil
Gurdeep Gill	\$90,332	N/A	Nil
Trish Olynyk	\$307,279	N/A	Nil
James Glessing	\$166,218	N/A	Nil
Brett Booth <sup>(2)</sup>	\$347,000	N/A	Nil

**Notes:**

- (1) Represents the aggregate dollar value that would have been realized if the options under the Existing Option Plan had been exercised on the vesting date.
- (2) Mr. Booth was appointed as an officer on July 28, 2021.

### ***Termination and Change of Control Benefits***

The Corporation has entered into a written agreement with each of the NEOs or their respective consulting corporations. Pursuant to the terms of each agreement, which automatically renew on a yearly term, each NEO is entitled directly or indirectly to a base remuneration, granting from time to time of equity-based incentives to acquire Common Shares, and to certain payments upon termination with or without cause, resignation, or termination following a change of control.

A change in control is generally considered to have occurred if: (i) any person becomes the beneficial owner of securities of the Corporation, carrying more than 50% of the votes that may be cast to elect directors of the Corporation; (ii) upon the implementation of any transaction involving the Corporation as a result of which individuals who were members of the Board of Directors immediately prior to such transaction represent less than a majority of the members of the Board of Directors of the successor corporation within three months following the consummation thereof; (iii) individuals who were executive officers of the Corporation immediately prior to such transaction represent less than a majority of the executive officers of the Corporation or the successor corporation within three months following the consummation thereof; (iv) upon the election of a slate of directors at a meeting of the Shareholders where a majority of the directors so elected were not members of the Board of Directors immediately prior to such meeting; (v) the passing of a resolution by the Shareholders to substantially liquidate, wind-up, rearrange or sell all or substantially all of the assets of the Corporation to any purchaser in circumstances where the purchaser intends to carry on all or part of the business carried on by the Corporation, excluding a sale to an entity in which the Corporation owns 25% or more of the Common Shares; or (vi) where the Board of Directors determines that a change of control has occurred.

Upon a change in control, each NEO is entitled to payment of 12 months base pay plus an additional month of base pay for each year of service up to a maximum amount of 24 months of the NEO's then base annual salary, plus an amount equal to (i) the average of the previous two years cash bonuses, (ii) value of any unused vacation pay, and (iii) any unpaid reimbursable expenses.

The estimated incremental payment obligations of the Corporation related to the termination entitlements set forth above for each of the NEOs pursuant to the respective written agreements, under the noted

triggering events, (other than termination for cause) assuming that the triggering event took place on December 31, 2022, are as follows:

Name	Payment Made in the Event of Termination without Just Cause, Resignation or Change in Duties or Remuneration Following a Change of Control
James Evaskevich	\$830,000
Gurdeep Gill	\$425,000
Trish Olynyk	\$625,000
James Glessing	\$625,000
Brett Booth <sup>(1)</sup>	Nil

**Note:**

(1) Mr. Booth was appointed as an officer on July 28, 2021.

**Director Compensation**

The following table sets forth the value of all compensation provided to directors, not including those directors who are also NEOs<sup>(1)</sup>, for the Corporation's most recently completed financial year, December 31, 2022.

Name	Fees Earned (\$)	Share-based Awards (\$)	Option-based Awards <sup>(2)</sup> (\$)	Non-equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Gordon Bowerman	\$45,000	Nil	Nil	Nil	N/A	Nil	\$45,000
Robert Weir	\$45,000	Nil	Nil	Nil	N/A	Nil	\$45,000
Ted Morton	\$45,000	Nil	Nil	Nil	N/A	Nil	\$45,000
Neil MacKenzie	\$45,000	Nil	Nil	Nil	N/A	Nil	\$45,000
Dale Miller <sup>(3)</sup>	\$45,000	Nil	\$62,931	Nil	N/A	Nil	\$107,931
Penny Payne <sup>(3)</sup>	\$45,000	Nil	\$62,931	Nil	N/A	Nil	\$107,931

**Notes:**

- (1) Mr. Evaskevich, Chief Executive Officer of the Corporation, is also a director of the Corporation. However, Mr. Evaskevich does not receive any compensation for his services as a director and is therefore not listed in this table.
- (2) Based on the grant date fair value of the applicable awards. The fair value of options granted are estimated at the date of grant using the Black-Scholes option pricing model based on the following assumptions: 68% expected volatility, 3.31% risk free rate and a 4 year expected life. The Black-Scholes option-pricing methodology was selected due to its acceptance as an appropriate evaluation model used for similar sized oil and gas companies.
- (3) Dale Miller and Penny Payne became members of the Board of Directors on April 29, 2021.

In 2023, all directors of the Corporation, except for Mr. Evaskevich, will be paid an annual fee of \$55,000 and are entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the directors or any committee thereof or otherwise incurred by them in connection with their service as directors. All matters related to the compensation of directors are determined by the Compensation Committee. The Corporation does not have any retirement policy for its directors.

## Outstanding Share-Based Awards and Option-Based Awards

The following table indicates for each director, other than the CEO, all option-based awards and share-based awards outstanding at the end of the most recently completed financial year, December 31, 2022.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share based awards not paid out or distributed (\$)
Gordon	13,332	\$0.61	Dec 1, 2025	\$29,330	Nil	Nil	N/A
Bowerman	100,000	\$0.58	Dec 2, 2025	\$223,000	Nil	Nil	
	5,556	\$1.13	Mar 10, 2026	\$9,334	Nil	Nil	
	90,556	\$1.40	Jul 21, 2026	\$127,684	Nil	Nil	
	42,224	\$1.48	Sep 21, 2026	\$56,158	Nil	Nil	
	40,000	\$1.65	Nov 16, 2026	\$46,400	Nil	Nil	
	291,668			\$491,906	Nil	Nil	
Robert Weir	82,223	\$0.67	Jun 3, 2025	\$175,957	Nil	Nil	N/A
	100,000	\$0.58	Dec 2, 2025	\$223,000	Nil	Nil	
	5,556	\$1.13	Mar 10, 2026	\$9,334	Nil	Nil	
	28,889	\$1.48	Sep 21, 2026	\$38,422	Nil	Nil	
	33,333	\$1.65	Nov 16, 2026	\$38,666	Nil	Nil	
	250,001			\$485,379	Nil	Nil	
Ted Morton	40,000	\$0.50	May 20, 2025	\$44,000	Nil	Nil	N/A
	10,000	\$0.67	Jun 3, 2025	\$9,300	Nil	Nil	
	10,000	\$0.61	Dec 1, 2025	\$9,900	Nil	Nil	
	150,000	\$0.58	Dec 2, 2025	\$153,000	Nil	Nil	
	6,667	\$1.48	Sep 21, 2026	\$800	Nil	Nil	
	33,333	\$1.65	Nov 16, 2026	Nil	Nil	Nil	
250,000			\$217,000	Nil	Nil		
Neil MacKenzie	40,000	\$0.50	May 20, 2025	\$92,400	Nil	Nil	N/A
	10,000	\$0.67	Jun 3, 2025	\$21,400	Nil	Nil	
	10,000	\$0.61	Dec 1, 2025	\$22,000	Nil	Nil	
	100,000	\$0.58	Dec 2, 2025	\$334,500	Nil	Nil	
	124,445	\$1.48	Sep 21, 2026	\$8,867	Nil	Nil	
	33,333	\$1.65	Nov 16, 2026	\$38,666	Nil	Nil	
317,778			\$517,833	Nil	Nil		
Dale Miller <sup>(2)</sup>	50,000	\$2.48	Sep 2, 2027	\$16,500	50,000	\$16,500	N/A
Penny Payne <sup>(2)</sup>	92,000	\$1.09	Apr 30, 2026	\$63,750	Nil	Nil	N/A
	50,000	\$2.48	Sep 2, 2027	\$16,500	50,000	\$16,500	
	142,000			\$80,250	50,000	\$16,500	

### Notes:

- (1) Calculated based on the difference between the closing price of the Common Shares on December 31, 2022, the last day during which the Common Shares traded in the financial year ended December 31, 2022 (\$2.81 per Common Share), and the exercise price of the options.
- (2) Dale Miller and Penny Payne became members of the Board of Directors on April 29, 2021.

### ***Incentive Plan Awards – Value Vested or Earned during the Year***

The following table indicates for each director, other than the CEO, the value of all indicated compensation awards that vested during the most recently completed financial year, December 31, 2022.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity Annual incentive plan compensation – Value earned during the year (\$)
Gordon Bowerman	\$275,601	N/A	Nil
Robert Weir	\$92,150	N/A	Nil
Ted Morton	\$57,567	N/A	Nil
Neil MacKenzie	\$203,022	N/A	Nil
Dale Miller <sup>(2)</sup>	\$190,625	N/A	Nil
Penny Payne <sup>(2)</sup>	\$190,625	N/A	Nil

**Notes:**

- (1) Represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date.
- (2) Dale Miller and Penny Payne became members of the Board of Directors on April 29, 2021.

### **EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth the information pertaining to the Corporation's equity compensation plans as at December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance, under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders <sup>(2)</sup>	7,778,840	\$1.09	Nil <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	1,019,599 <sup>(1)</sup>
<b>Total</b>	<b>7,778,840</b>	<b>1.09</b>	<b>1,019,599</b>

**Notes:**

- (1) The unallocated stock options under the Existing Option Plan were not renewed and the proposed new RSU Plan is being voting on at the Meeting.
- (2) For the year ended December 31, 2022, the Corporation issued 1,336,000 Common Shares from treasury pursuant to the exercise of options. The maximum number of Common Shares that may be reserved for issuance under the Existing Option Plan is 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis). As at the date of this Information Circular, the Corporation has 87,984,394 issued and outstanding Common Shares and therefore, there are 8,798,439 Common Shares that may be reserved for issuance on options granted or grantable under the Existing Option Plan.

The following table sets out the Corporation's stock option grants as a percentage of outstanding Common Shares for each year shown.

Year Ended	Weighted Average Number of Shares Outstanding	Total Number of Options Outstanding	Total Number of Options Available for Grant	Total Options Granted During the Year	Dilution Options Outstanding as a % of shares outstanding	Overhang	Burn Rate Grant as a % of shares outstanding
						% of stock options outstanding plus total available divided by the total shares outstanding	
	(A)	(B)	(C)	(D)	(B/A)	((B+C)/A)	(D/A)
December 31, 2019	85,363,893	8,497,639	40,334	500,000	10%	10%	1%
December 31, 2020	85,363,893	8,208,369	329,603	6,680,863	10%	10%	8%
December 31, 2021	85,892,000	8,287,097	377,765	2,025,729	10%	10%	2%
December 31, 2022	87,423,000	7,778,840	1,019,599	1,353,750	8.8%	10%	2%

## CORPORATE GOVERNANCE

### General

The Board of Directors believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

### Composition of the Board of Directors

The Board of Directors is presently comprised of seven directors, six of which – Gordon Bowerman, Robert Weir, Ted Morton, Neil MacKenzie, Dale Miller and Penny Payne – are independent for the purposes of NI 58-101, so that a majority of the directors are independent. James Evaskevich is not independent as he is the CEO of the Corporation. The majority of the Board of Directors are independent.

Mr. Bowerman is the Chairman of the Board. Mr. Bowerman is responsible for chairing meetings of the Board of Directors.

Other than position descriptions and mandates, there are no special structures or processes in place to facilitate the functioning of the Board of Directors independently of the Corporation's management. The independent directors of the Corporation do not hold regularly scheduled meetings, but the Chairman may, at any time, call meetings of the independent directors at which any concerns may be freely expressed. The independent directors are also given full access to management so that they may express their own views and communicate their expectations of management.

Certain of the directors are also directors of other reporting issuers, as follows:

<u>Director</u>	<u>Other Reporting Issuer</u>
Gordon Bowerman	Kaymus Resources Inc.
James Evaskevich	Kaymus Resources Inc.
Robert Weir	None
Ted Morton	None
Neil MacKenzie	None
Dale Miller	None
Penny Payne	None

### **Position Descriptions**

The Board of Directors has developed written position descriptions for the Chairman of the Board, the Chairman of each committee of the Board of Directors and the CEO.

### **Orientation and Continuing Education**

The Corporation provides all new directors with an orientation manual and the Corporation's Board Mandate provides for certain mandatory meetings among the CEO, CFO, Chairman of the Board and new directors.

No formal continuing education program currently exists for directors of the Corporation. From time to time, presentations and seminars will be provided to directors on recent developments such as new accounting rules, new oil and gas operation procedures and capital market developments and directors will be encouraged by the Corporation to attend courses and seminars dealing with financial literacy, corporate governance and related matters at the Corporation's cost.

### **Board Mandate**

The following is the text of the written mandate of the Corporation's Board of Directors.

The Board of Directors is responsible for the overall stewardship of the Corporation and the overall design and implementation of the Corporation's strategy and direction. The Corporation's management shall be responsible for the day to day operations of the Corporation. Every director is required to act honestly and in good faith and in the best interests of the Corporation and to exercise the care, diligence and skill of a reasonably prudent person in comparable circumstances. Every director is expected to understand the nature and operation of the Corporation's business, review Board of Directors and committee materials that are provided a reasonable period of time before each meeting of the Board of Directors or Board of Director's committee to which such director is a member and to use reasonable efforts to attend in person or via conference call all meetings of the Board of Directors and all meetings of the committees of the Board of Directors to which such director is a member. A majority of the Board of Directors and the Chairman of the Board of Directors shall be independent within the meaning of section 1.4 of National Instrument 52-110 or its successor or replacement policy. Responsibilities not delegated to management or to a committee of the Board of Directors remain those of the full Board of Directors.

The Board of Directors will develop and approve the corporate goals and objectives of the Corporation in consultation with the CEO of the Corporation. Management of the Corporation shall prepare for consideration and adoption by the Board of Directors regular strategic, business and financial plans of the Corporation (including quarterly, annual and forward planning capital budgets and operating budgets) that have regard for the opportunities and risk of the business of the Corporation. The Board of Directors shall supervise the management of the business and affairs of the Corporation and in consultation with the Management Committee of the Corporation put in place a system for monitoring the implementation of the Corporation's strategies and business and financial plans. The Board of Directors shall monitor and oversee the integrity of the Corporation's financial reporting and disclosure and the CEO and CFO certification of the financial reporting.

The Board of Directors shall meet regularly (and in any case a minimum of four times per year) to consider and approve the Corporation's objectives, strategy and direction and the strategic, business and financial plans of the Corporation as well as management's plans designed to accomplish those objectives, strategies and direction. The Board of Directors shall also meet (in person or by electronic means) as necessary to consider specific developments and opportunities as they arise, including material asset acquisitions and dispositions and financing proposals.

Subject to the terms of any disclosure, confidentiality, trading and other policies and procedures of the Corporation, the Chairman of the Board will act as a liaison between stakeholders of the Corporation and the Board of Directors.

The Management Committee shall meet with all proposed new directors to provide him or her with a detailed business and financial review of the Corporation. In addition, the Chairman of the Board shall meet with all proposed new directors to provide him or her with an orientation on the experience and expertise of the other members of the Board of Directors and the unique policies and procedures of the Board of Directors.

Key management personnel and professional advisors may be invited to attend Board of Directors meetings (other than *in camera* Board of Directors sessions) to speak to, or be informed as to, such matters as the Board of Directors may deem necessary.

The Board of Directors has adopted a written code of business conduct and ethics (the "**Code of Conduct**") for all directors, officers, employees, consultants and representatives of the Corporation to promote integrity and deter wrongdoing. The Board of Directors and the Audit Committee have adopted a "whistle-blower" procedures policy as a means of receiving and handling complaints regarding questionable accounting, internal control and audit matters. The Board of Directors has established an Audit Committee, a Compensation Committee and a Corporate Governance and Nomination Committee and has adopted, and shall annually review and re-assess the adequacy of the mandates of such committees.

### **Measures to Encourage Ethical Business Conduct**

The Corporation has put the Code of Conduct in place for its directors, officers, and employees. A copy of the Code of Conduct is provided to each director, officer and employee of the Corporation and is available upon request to any Shareholder. Compliance with the Code of Conduct is monitored by the Board of Directors as a whole. Employees of the Corporation are encouraged to promptly report to the Board of Directors any violation of the Code of Conduct or any law, rule or regulation that has been or is likely to be committed by the employee or someone else who is a representative of the Corporation.

In addition, the Corporation has a Whistleblower Policy which addresses the Corporation's continuing commitment to integrity and ethical behaviour. The Whistleblower Policy established procedures that allow employees of the Corporation to confidentially and anonymously submit their concerns to the Chair of the



Audit Committee regarding questionable ethical, moral, accounting, internal accounting controls, or auditing matters, without fear of retaliation.

The Code of Conduct requires disclosure to the Board of Directors of any transactions or agreements in respect of which any director or executive officer of the Corporation has a material interest and the extent and nature of that interest. Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the Board of Directors or any committee of the Board of Directors on any motion to recommend or approve the relevant agreement or transaction. The Board of Directors itself must comply with conflict of interest provisions of the ABCA 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. The Board of Directors provides leadership, supervision and support for the employees of the Corporation to uphold the principles articulated in the Code of Conduct.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Corporation has not adopted term limits for directors or other mechanisms of board renewal. The Board of Directors does not believe that fixed term limits or mandatory retirement ages are in the best interest of the Corporation.

### **Majority Voting Policy**

On March 15, 2017, the Board amended its Majority Voting Policy as required by the policies of the TSX. Pursuant to the Majority Voting Policy, each director of the Corporation must be elected by a majority (50%+1 vote) of the votes cast with respect to his or her election other than at contested meetings, where "votes cast" means the majority of any "for" or "withheld" votes cast with respect to a director's election, excluding any failures to vote, defective votes or broker non-votes with respect to that director's election. "contested meeting" is a meeting at which the number of directors nominated for election is greater than the number of seats available on the Board

If a nominee for election as director does not receive the vote of at least a majority of the votes cast at any uncontested meeting for the election of directors at which a quorum has been confirmed, the director, duly elected in accordance with the requirements of the ABCA and the Corporation's Articles, shall nonetheless immediately tender his or her resignation from the Board to the Board following said election.

Each director nominated for election or re-election to the Board shall acknowledge in writing his or her agreement to be bound by the Majority Voting Policy.

Following receipt of a resignation submitted pursuant to the Majority Voting Policy, and in any event, within 90 days after the shareholder meeting, the Board shall determine whether or not to accept the offer of resignation through a process managed by the Corporate Governance and Nominating Committee. The Board shall accept the resignation absent exceptional circumstances. In considering whether or not to accept the resignation, the Board will consider factors that may be provided as guidance by the TSX and all factors deemed relevant by the Board including, without limitation, the stated reasons why shareholders withheld votes from the election of that nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Corporation, and the Corporation's legal obligations under applicable laws.

A director who tenders his or her resignation pursuant to the Majority Voting Policy shall not be permitted to participate in any meeting of the Board at which his or her resignation is to be considered, but will be counted for the purpose of determining whether the Board has a quorum if required in the event that a sufficient number of the Board members did not receive a majority of the votes cast in the same election.

The Corporation must promptly issue a news release with the Board's decision, a copy of which must be provided to the TSX.

If a director's resignation is not accepted by the Board, such director will continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier resignation or removal, as provided for in the Corporation's Articles, or the director shall otherwise serve for such shorter time and under such other conditions as determined by the Board, considering all of the relevant facts and circumstances. If a resignation is accepted, the Board may in accordance with the provisions of the Corporation's Articles, appoint a new director to fill any vacancy created by the resignation.

### **Policies Regarding Board Diversity**

The Corporate Governance and Nominating Committee operates on the principle that director nominations should be made on the basis of the skills, knowledge, experience and character of the candidates and the requirements of the Board at the time. To assist in this important mandate, the Board has adopted a formal Diversity Policy to take into account diversity considerations such as gender, age and ethnicity with a view to ensuring that the Board benefits from a broader range of perspectives and relevant experiences.

The Corporation remains committed to considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives, without reference to their age, gender, race, ethnicity or religion, is in the best interest of Yangarra and its Shareholders. The Corporation's Diversity Policy emphasizes that the aforementioned criteria should be considered for future director appointments, with a view toward ensuring the Board benefits from a broad range of perspectives that limit conscious and unconscious bias, as well as discrimination.

In accordance with the principle of this policy, Gurdeep Gill and Patricia (Trish) Olynyk are executive officers of the Corporation and Penny Payne and Dale Miller are directors of the Corporation. In addition, in accordance with Yangarra's recently adopted Diversity Policy, any search that is conducted to assist the Board or Corporate Governance and Nominating Committee in identifying potential future director candidates will be specifically directed to include diverse candidates generally, and multiple women in particular. Yangarra's Board is working toward a Board composition in which women comprise at least 25% of the directors within the period for the full rotation of its current Board. In measuring the effectiveness of the Diversity Policy, the Corporate Governance and Nominating Committee will consider its identification and consideration of any potential director candidates over prior periods and whether and how the Diversity Policy influenced such identification and consideration.

### **Audit Committee**

The Audit Committee is comprised of Gord Bowerman (Chair), Ted Morton and Penny Payne, all of whom are independent and all of whom are financially literate. The full text of the Audit Committee Charter, as well as the required relevant disclosure in relation to its composition and other matters are included in the Corporation's Annual Information Form dated March 1, 2023, which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). The members of the Audit Committee also have significant experience and expertise in the oil and gas exploration and development industry. The Audit Committee anticipates meeting four times a year, on a quarterly basis, to fulfill its mandate.

In respect of the Audit Committee functions, the Board of Directors has developed written terms of reference outlining its roles and responsibilities and which provide appropriate guidance to the committee's members as to their duties. These terms of reference are reviewed annually by the Audit Committee and the Board of Directors. The Audit Committee reviews the annual and interim consolidated financial statements of the Corporation and makes recommendations to the Board of Directors with respect to such statements. The Audit Committee also reviews the nature and scope of the annual audit as proposed by the

auditors and management, and the adequacy of internal accounting control procedures and systems within the Corporation. The Audit Committee is responsible for ensuring that management has implemented an effective system of internal control and has oversight responsibility for management reporting on internal control.

### **Corporate Governance and Nominating Committee**

The Corporate Governance and Nominating Committee is responsible for annually re-assessing and reviewing the Code of Conduct and management's monitoring of compliance with the Code of Conduct, the adequacy of the mandates of each of the committees of the Board of Directors and the Board of Directors mandate, the member composition of each of the committees of the Board of Directors, identifying any areas where the directors or management could make a better collective contribution to overseeing the affairs of the Corporation and encouragement of a process of continuous improvement in the Board of Directors execution of its responsibilities.

The Corporate Governance and Nominating Committee, in consultation with the CEO, is responsible for:

- (a) reviewing on a periodic basis the size and composition of the Board of Directors and ensuring that an appropriate number of independent directors sit on the Board of Directors;
- (b) recommending nominations for election to the Board of Directors at the annual meeting of shareholders, taking into account the number required to carry out the Board of Directors' duties effectively; and
- (c) recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board of Directors and governing the desirable individual characteristics for directors,

and in making such recommendations, the Corporate Governance and Nominating Committee considers:

- (a) the appropriate size of the Board of Directors with a view to facilitating effective decision-making;
- (b) the needs of the Corporation and its stage of development and the competencies and skills that the Board of Directors considers to be necessary for the Corporation and the Board of Directors, as a whole, to possess;
- (c) the competencies and skills that the Board of Directors considers each existing director to possess;
- (d) the competencies and skills each new nominee will bring to the boardroom; and
- (e) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board of Directors.

The Corporate Governance and Nominating Committee is comprised of Dale Miller (Chair), Robert Weir and Neil MacKenzie. The Corporate Governance and Nominating Committee anticipates meeting once annually to fulfil its mandate.

### **Compensation Committee**

The Compensation Committee is comprised of Dale Miller (Chair), Robert Weir and Neil MacKenzie all of whom are independent. The Compensation Committee is responsible for reviewing annually (and other times if necessary) and making recommendations to the Board of Directors regarding:

- (a) compensation and remuneration policies, practices and philosophy for the Corporation's officers and directors; and
- (b) the CEO's recommendations for proposed salaries, stock options, RSUs, bonuses or other incentive compensation plans for officer and director compensation.

In making its recommendations, the Compensation Committee considers the recommendations and insight of the CEO and considers, among other things, the performance of the person, comparative surveys of similar size Canadian oil and gas companies and the relative performance of the Corporation and the person on an aggregate and per share basis over relevant periods.

The Compensation Committee is provided with all compensation materials, including comparative surveys, in advance of the meetings in order to carefully consider management's recommendation and get independent advice if desired.

All of the members of the Compensation Committee are independent and have direct experience that is relevant to their responsibilities regarding executive compensation of the Corporation. Messrs. Bowerman, MacKenzie, Weir and Miller have acted as executive officers and directors of other oil and gas and service companies. As a result, the Compensation Committee has knowledge of typical day-to-day responsibilities and challenges faced by the Corporation's management team, and first-hand knowledge regarding executive compensation policies and practices in the public oil and gas sector, all of which are beneficial in the context of its review of the Corporation's compensation policies and practices.

#### **Assessments**

The Board of Directors intends to make annual assessments regarding the effectiveness of the Board of Directors, committees and individual directors in fulfilling their respective responsibilities.

#### **Meetings of the Board of Directors and Audit Committee during 2022**

	<u>Gordon Bowerman</u>	<u>Robert Weir</u>	<u>Ted Morton</u>	<u>Neil MacKenzie</u>	<u>Dale Miller</u>	<u>Penny Payne</u>	<u>James Evaskevich</u>
Board of Directors	5/5	5/5	5/5	5/5	5/5	5/5	5/5
Audit Committee	4/4	N/A	4/4	N/A	N/A	4/4	N/A

## **MANAGEMENT CONTRACTS**

Management functions of the Corporation are performed by the directors and executive officers of the Corporation and are not to any substantial degree performed by any other person or corporation.

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

No current or former executive officer, director or employee of the Corporation, nor any of their respective associates or affiliates, is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries. In addition, none of such person's indebtedness to another entity is or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement of understanding provided by the Corporation or any of its subsidiaries.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as set forth in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of the Corporation or of any associate or affiliate of any director or executive officer, in any matter to be acted upon at the Meeting.

## **OTHER MATTERS TO BE ACTED UPON**

There are no other matters to be considered at the Meeting which are known to the directors or executive officers at this time. However if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote in accordance with their best judgment of such matters exercising discretionary authority with respect to amendments or variations of matters identified in the accompanying Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

## **DIRECTOR APPROVAL**

The contents and the sending of this Information Circular have been approved by the directors of the Corporation.

## **ADDITIONAL INFORMATION**

Financial information is provided in the Corporation's audited consolidated financial statements and accompanying managements' discussion and analysis for the year ended December 31, 2022.

Under National Instrument 51-102 – *Continuous Disclosure Obligations*, any person or company who wishes to receive annual and/or interim consolidated financial statements from the Corporation may deliver a written request for such material to the Corporation or the Corporation's agent, together with a signed statement that the person or company is the owner of securities of the Corporation. Shareholders who wish to receive annual and/or interim consolidated financial statements are encouraged to send the enclosed mail card, together with the completed form of proxy, in the addressed envelope provided to Computershare, 8th Floor Proxy Department, 100 University Avenue, Toronto, Ontario, M5J 2Y1. The Corporation will maintain a supplemental mailing list of persons or companies wishing to receive annual and/or interim consolidated financial statements.

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## SCHEDULE "A"

### YANGARRA RESOURCES LTD. RESTRICTED SHARE UNIT PLAN

#### 1. DEFINITIONS AND INTERPRETATION

##### 1.1 Definitions

For purposes of this Plan:

- (a) "**Account**" means an account maintained by the Corporation for each Participant and which will be credited with RSUs in accordance with the terms of this Plan;
- (b) "**Affiliate**" means an entity which is an "affiliate" of the Corporation for the purposes of NI 45-106;
- (c) "**Applicable Law**" means any applicable provision of law, domestic or foreign, including without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and rules of the Exchange;
- (d) "**Assets**" means all assets of the Corporation other than cash, cash equivalents and short term debt obligations;
- (e) "**Award Date**" means the date or dates on which an award of RSUs is made to a Participant in accordance with Section 4.1;
- (f) "**Award Value**" means, with respect to any RSUs, an amount equal to (a) the number of RSUs, as such number may be adjusted in accordance with the terms of this Plan, multiplied by (b) the Market Price of the Shares;
- (g) "**Black-Out Period**" means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any Participant that holds an RSU;
- (h) "**Board**" means the board of directors of the Corporation as constituted from time to time;
- (i) "**Cause**" has the meaning ascribed thereto (or the equivalent term) in any written agreement between the Participant and the Corporation or an Affiliate (as applicable) defining such term, and, in the absence of such agreement, "Cause" means the occurrence of any grounds at law in the applicable province where the Participant is located that: (i) in the case of a Participant who is an Employee, would entitle an employer to dismiss an employee summarily without notice and without compensation or damages in lieu of notice; and (ii) in the case of any other Participant, would entitle the Corporation or such Affiliate to terminate the services of the Participant without notice and without compensation or damages in lieu of notice;

- (j) **"Change of Control"** means:
- (i) the sale by the Corporation of all of the Assets of the Corporation or substantially all of the Assets of the Corporation;
  - (ii) the acquisition by any Person (whether from the Corporation or from any other Person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares which together with securities of the Corporation held by such Person, either alone or together with Persons acting jointly or in concert with such Person, exceeds 50% of the issued and outstanding Shares, (assuming for this test the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares, such Person or Persons would be entitled to);
  - (iii) the amalgamation of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation of the Corporation with or into a Subsidiary of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated corporation having attached thereto not less than 50% of the votes attached to all shares of such amalgamated or merged corporation);
  - (iv) the election at a meeting of the Corporation's shareholders of that number of persons which would represent a majority of the Board, who are not included in the slate for election as directors proposed to the Corporation's shareholders by the Corporation; or
  - (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) referred to above;
- (k) **"Change of Control Date"** means the effective date of the Change of Control;
- (l) **"Committee"** has the meaning ascribed thereto in Section 2.4(a);
- (m) **"Company"** has the meaning ascribed thereto in the Exchange's Company Manual;
- (n) **"Company Manual"** means the company manual of the Exchange, as amended from time to time;
- (o) **"Consultant"** means a Person (other than an Employee or a Director) or Company that:
- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate, other than services provided in relation to a distribution of securities;
  - (ii) provides the services under a written contract with the Corporation or an Affiliate, as the case may be;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Yangarra Group; and

- (iv) has a relationship with the Yangarra Group that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (p) "**Corporation**" means Yangarra Resources Ltd., a corporation incorporated under the laws of the Province of Alberta, and any successor corporation;
- (q) "**Director**" means a member of the board of directors of the Corporation or an Affiliate;
- (r) "**Disability**" means a physical or mental incapacity or disability that prevents the Participant from performing the essential duties of the Participant's employment or service with the Corporation or any Affiliate, and that cannot be accommodated under applicable human rights laws without imposing undue hardship on the Corporation or the Affiliate employing or engaging the Participant;
- (s) "**Dividend Equivalent**" has the meaning ascribed thereto in Section 4.2;
- (t) "**Dividend Market Value**" means the Market Price per Share two (2) trading days prior to the dividend record date;
- (u) "**Employee**" means
  - (i) an individual who is considered an employee of the Corporation or an Affiliate for the purposes of the Tax Act; or
  - (ii) an individual who works for the Corporation or any Affiliate providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the relevant Affiliate over the details and methods of work as an employee of the Corporation or the relevant Affiliate, but for whom income tax deductions are not made at source;
- (v) "**Exchange**" means the Toronto Stock Exchange or, if the Shares are not then listed and posted for trading on the Toronto Stock Exchange, such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (w) "**Grant**" means a grant of RSUs made pursuant to Section 4.1;
- (x) "**Grant Date**" means the effective date of a Grant;
- (y) "**Insider**" has the meaning set forth in the Company Manual, as amended from time to time;
- (z) "**Management Company Employee**" means an individual employed by a Consultant providing management services to the Corporation or an Affiliate, who is required for the ongoing successful operation of the business enterprise of the Yangarra Group;
- (aa) "**Market Price**" as at any date means the last closing price of the Shares on the Exchange on the last trading day immediately preceding the relevant date. In the event that the Shares are not then listed and posted for trading on any Exchange, the Market Price in respect thereof shall be the fair market value of such Shares as determined by the reasonable application by the Board of a reasonable valuation method;
- (bb) "**NI 45-106**" means National Instrument 45-106 – *Prospectus Exemptions*;



- (cc) "**Officer**" means a senior officer of the Yangarra Group;
- (dd) "**Outside Payment Date**" has the meaning set forth in Section 5.2(a);
- (ee) "**Participant**" means any Director, Officer, Employee, Management Company Employee or Consultant of, or a person or company engaged by, one or more of the entities comprising the Yangarra Group to provide services for an initial, renewable or extended period, determined to be eligible to participate in this Plan in accordance with Section 3.1 and, where applicable, a former Participant deemed eligible to continue to participate in this Plan in accordance with 5;
- (ff) "**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (gg) "**Plan**" means this Restricted Share Unit Plan;
- (hh) "**Retirement**" means retirement from active employment or service with the Corporation or an Affiliate:
  - (i) at or after age 65; or
  - (ii) with the consent of any officer of the Corporation as may be designated for the purposes of this Plan by the Board, at or after any earlier age and on the completion of any number of years of service as the Board may specify;
- (ii) "**RSU**" means a unit equivalent in value to a Share credited by means of a bookkeeping entry in the Participants' Accounts;
- (jj) "**RSU Agreement**" has the meaning set forth in Section 3.2;
- (kk) "**Securities Act**" means the *Securities Act* (Alberta);
- (ll) "**Service Year**" means the calendar year in respect of which an RSU is granted;
- (mm) "**Security Based Compensation Arrangements**" means any incentive plan of the Corporation, including this Plan, the Corporation's stock option plan, individual stock options, stock purchase plans, stock appreciation rights involving issuances of securities from treasury, security purchases from treasury that are financially assisted by the Corporation and any other incentive options granted by the Corporation outside of this Plan;
- (nn) "**Share**" means a common share of the Corporation;
- (oo) "**Special Value**" means an amount determined as follows: (i) if any Shares are sold as part of a transaction constituting a Change of Control, then the Special Value shall be equal to the weighted average of the prices paid for those Shares by the acquirer, provided that if any portion of the consideration paid for such Shares by the acquirer is paid in property other than cash, then the Board (as constituted immediately prior to the Change of Control Date) shall determine the fair market value of such property as of the Change of Control Date for purposes of determining the Special Value; and (ii) if no Shares are sold as part

of the transaction constituting a Change of Control, then the Special Value shall be the Market Price of a Share on the day immediately preceding the Change of Control Date;

- (pp) "**Subsidiary**" has the meaning ascribed thereto in the Securities Act;
- (qq) "**Tax Act**" means the *Income Tax Act (Canada)*, as amended from time to time;
- (rr) "**Termination Date**" means (i) in the case of a Participant who dies, the date of death; and (ii) in all other cases, the date designated by the Corporation or an Affiliate, in written notice to a Participant, as the day on which that Participant's employment with or provision of services to the Corporation of the Affiliate (as the case may be and in its sole discretion) ceases for any reason whatsoever (whether or not that cessation of employment or service is lawful, but provided that, in the case of a voluntary resignation or voluntary termination by that Participant, the Termination Date may not be earlier than the date notice of that voluntary resignation or termination was first given by that Participant); and "Termination Date" specifically does not mean the date on which any period of notice, which the Corporation or that Affiliate may be required to provide to (or that may be claimed by) that Participant, expires. For greater clarity, the Termination Date will be determined without regard to any applicable notice of termination, severance or termination pay, compensation or indemnity in lieu of notice, wrongful or constructive dismissal damages, damages for the failure to provide reasonable notice, period of salary continuation or of deemed employment or of deemed service, or any claim whatsoever by the Participant to any of the foregoing (whether express or implied and whether arising under contract or statute or otherwise at law in any manner);
- (ss) "**Vested**" means the applicable Vesting Period and/or other conditions for payment or settlement in relation to a whole number, or a percentage of the number of RSUs determined by the Board, in connection with a Grant (i) have been met; (ii) have been waived or deemed to met pursuant to Section 5.6; (iii) or are otherwise waived pursuant to Section 2.5, and the Award Value to which the Participant is entitled pursuant to such RSU is irrevocably payable by the Corporation to the Participant in accordance with the terms hereof. "**Vesting**" and "**Vest**" shall be construed accordingly;
- (tt) "**Vesting Date**" means, with respect to any Grant, the date upon which the applicable Vesting Period and/or other conditions for payment or settlement for an RSU becoming Vested are met, deemed to have been met or waived as contemplated in Section 1.1(ss), provided that such Vesting Date shall not extend beyond November 30 of the third calendar year following the Service Year in respect of which RSUs were granted;
- (uu) "**Vesting Period**" means, with respect to a Grant, the period specified by the Board, commencing on the Grant Date and ending on the last Vesting Date for the RSUs subject to such Grant; and
- (vv) "**Yangarra Group**" means, collectively, the Corporation and any Affiliates.

## 1.2 Interpretation

Words in the singular include the plural and words in the plural include the singular. Words importing male persons include female persons, corporations or other entities, as applicable. The headings in this document are for convenience and reference only and shall not be deemed to alter or affect any provision hereof. The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this document as a whole and not to any particular Article, Section, paragraph or other part hereof.

## 2. PURPOSE AND ADMINISTRATION OF THE PLAN

### 2.1 Purpose

The purpose of this Plan is to: (a) aid in attracting, retaining and motivating eligible Participants in the growth and development of the Yangarra Group by providing them with the opportunity through RSUs to acquire an increased proprietary interest in the Corporation; (b) more closely align their interests with those of the Corporation's shareholders; (c) focus such Participants on operating and financial performance and long-term shareholder value; and (d) motivate and reward for their performance and contributions to the Corporation's long-term success.

### 2.2 Administration of the Plan

Subject to Section 2.4, this Plan shall be administered by the Board.

### 2.3 Authority of the Board

The Board shall have the full power to administer this Plan, including, but not limited to, the authority to:

- (a) interpret and construe any provision hereof and decide all questions of fact arising in their interpretation;
- (b) adopt, amend, suspend and rescind such rules and regulations for administration of this Plan as the Board may deem necessary in order to comply with the requirements of this Plan, or in order to conform to any law or regulation or to any change in any laws or regulations applicable thereto;
- (c) determine the individuals or companies to whom RSUs may be awarded provided that the Board, together with such individuals or companies, are responsible for ensuring and confirming that such person is a bona fide Employee, Consultant, or Management Company Employee of the Corporation or an Affiliate and therefore eligible as a Participant;
- (d) to approve or authorize the applicable form and terms of the related RSU Agreements and any other forms to be used in connection with the Plan;
- (e) award such RSUs on such terms and conditions as it determines including, without limitation: the time or times at which RSUs may be awarded; the time or times when each RSU shall vest, provided that Vesting of such RSU shall not occur beyond December 31 of the third calendar year following the Service Year, and the term of each RSU; the circumstances upon which a RSU shall be forfeited, cancelled or expired; whether restrictions or limitations are to be imposed on the Shares the Corporation may elect to issue in settlement of all or a portion of the Award Value of Vested RSUs and the nature of such restrictions or limitations, if any; any acceleration or waiver of termination or forfeiture regarding any RSU; in each case, based on such factors as the Board may determine appropriate, in its sole discretion;
- (f) to interpret the Plan and RSU Agreements;
- (g) to determine the terms and provisions of RSU Agreements (which need not be identical) entered into in connection with Grants;

- (h) take any and all actions permitted by this Plan; and
- (i) make any other determinations and take such other action in connection with the administration of this Plan that it deems necessary or advisable.

#### 2.4 Delegation of Authority

- (a) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under this Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.
- (b) The Board or the Committee may delegate or sub-delegate to any director or officer of the Corporation the whole or any part of the administration of this Plan and shall determine the scope of such delegation or sub-delegation in its sole discretion.

#### 2.5 Discretionary Relief

Notwithstanding any other provision hereof and subject to Exchange approval, the Board may, in its sole discretion, waive any condition set out herein if it determines that specific individual circumstances warrant such waiver.

#### 2.6 Amendment or Discontinuance of the Plan

- (a) The Board may amend this Plan in any way, or discontinue or terminate this Plan altogether, and may amend, in any way, any RSU granted under this Plan at any time without the consent of a Participant, provided that Exchange approval is obtained and such amendment shall not adversely alter or impair any RSU previously granted under the Plan or any related RSU Agreement, except as otherwise permitted hereunder and further provided that no amendment will cause the Plan or any RSU to cease to comply with paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act. In addition, the Board may, by resolution, make any amendment to this Plan or any RSU granted under it (together with any related RSU Agreement) without shareholder approval, provided however, that the Board will not be entitled to amend this Plan or any RSU granted under it without shareholder (disinterested shareholder approval if applicable) in order to: (i) increase the maximum number of Shares issuable pursuant to this Plan; (ii) cancel an RSU and subsequently issue to the holder of such RSU a new RSU in replacement thereof; (iii) permit the assignment or transfer of an RSU other than as provided for in this Plan; (iv) add to the categories of persons eligible to participate in this Plan; (v) remove or amend Section 4.3(c) of this Plan; or (vi) remove or amend this Section 2.6(a).
- (b) Without limitation of Section 2.6(a), the Board may correct any defect or supply any omission or reconcile any inconsistency in this Plan in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to this Plan, and may make such determinations as it deems necessary or desirable for the administration of this Plan.
- (c) On termination of this Plan, any outstanding awards of RSUs under this Plan shall immediately vest and the Award Value underlying the RSUs shall be paid to the Participants in accordance with and upon compliance with Section 5.5. This Plan will finally cease to operate for all purposes when (i) the last remaining Participant receives

payment in respect of the Award Value underlying all RSUs credited to the Participant's Account, or (ii) all unvested RSUs expire in accordance with the terms of this Plan and the relevant RSU Agreements.

## **2.7 Final Determination**

- (a) Any determination or decision by, or opinion of, the Board of the Corporation made or held pursuant to the terms set out herein shall be made or held reasonably and shall be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Participants and their beneficiaries and legal representatives.
- (b) Subject to Section 2.5, all rights, entitlements and obligations of Participants under this Plan are set forth in the terms hereof and cannot be modified by any other documents, statements or communications, except by amendment to the terms set out herein referred to in Section 2.6.

## **2.8 Withholding Taxes**

When a Participant or other person becomes entitled to receive a payment in respect of any RSUs, the Corporation or an Affiliate shall have the right to require the Participant or such other person to remit to the Corporation or an Affiliate, as the case may be, an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Board or by Applicable Law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Participant of a cash payment to the Corporation or an Affiliate, as the case may be;
- (b) where the Corporation has elected to issue Shares to the Participant, the withholding by the Corporation or an Affiliate, as the case may be, from the Shares otherwise deliverable to the Participant such number of Shares as it determines are required to be sold by the Corporation or an Affiliate, as the case may be, as agent for and on behalf of the Participant, to satisfy the total withholding tax obligation (net of selling costs, which shall be paid by the Participant). The Participant consents to such sale and grants to the Corporation or an Affiliate, as the case may be, an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that neither the Corporation nor such Affiliate accepts any responsibility for the price obtained on the sale of such Shares; or
- (c) the withholding by the Corporation or an Affiliate, as the case may be, from any cash payment otherwise due to the Participant;

provided, however, that the sum of any cash so paid or withheld and the Market Price of any Shares so withheld is sufficient to satisfy the total withholding tax obligation. Any reference in this Plan to the Award Value or payment of cash or issuance of Shares in settlement thereof is expressly subject to this Section 2.8.

## **2.9 Taxes**

Participants (or their beneficiaries) shall be responsible for reporting and paying all taxes with respect to any RSUs under the Plan, whether arising as a result of the grant or Vesting of RSUs or otherwise. Neither the Corporation nor the Board make any guarantees to any person regarding the tax treatment of an RSU or payments made under the Plan and none of the Corporation or any of its employees or representatives shall have any liability to a Participant with respect thereto. In the event the Corporation

applies in a local jurisdiction for a favourable and/or reduced tax route in such jurisdiction, and if the Plan or the grant fails to qualify for this reduced tax route, for any reason, the Participant in this jurisdiction shall bear the full responsibility for the taxes and the Corporation shall bear no liability what so ever to the Participant for such tax treatment. The Corporation will provide each Participant with (or cause each Participant to be provided with) a T4 slip or such information return as may be required by applicable law to report income, if any, arising upon the grant or vesting of rights under this Plan by a Participant for income tax purposes.

#### **2.10 Information**

Each Participant shall provide the Corporation with all of the information (including personal information) that it requires in order to administer this Plan.

#### **2.11 Account Information**

Information pertaining to the RSUs in Participants' Accounts will be made available to the Participants at least annually in such manner as the Corporation may determine and shall include such matters as the Board may determine from time to time or as otherwise may be required by law.

#### **2.12 Indemnification**

Each member of the Board is indemnified and held harmless by the Corporation against any cost or expense (including any sum paid in settlement of a claim with the approval of the Corporation) arising out of any act or omission to act in connection with the terms hereof to the extent permitted by applicable law. This indemnification is in addition to any rights of indemnification a Board member may have as director or otherwise under the by-laws of the Corporation, any agreement, any vote of shareholders, or disinterested directors, or otherwise.

### **3. ELIGIBILITY AND PARTICIPATION**

#### **3.1 Participation**

The Board, in its sole discretion, shall determine, or shall delegate to the Committee the authority to determine, which Participants will participate in this Plan.

#### **3.2 RSU Agreement**

A Participant shall confirm acknowledgement of an award of RSUs made to such Participant in such form as determined by the Board from time to time (the "**RSU Agreement**"), within such time period and in such manner as specified by the Board. If acknowledgement of an award of RSUs is not confirmed by a Participant within the time specified, the Corporation reserves the right to revoke the crediting of RSUs to the Participant's Account.

#### **3.3 Participant's Agreement to be Bound**

Participation in this Plan by any Participant shall be construed as irrevocable acceptance by the Participant of the terms and conditions set out herein and all rules and procedures adopted hereunder and as amended from time to time.

## 4. TERMS OF THE PLAN

### 4.1 Grant of RSUs

Subject to Section 3.2, an award of RSUs pursuant to this Plan will be made and the number of such RSUs awarded will be credited to each Participant's Account, effective as of the Award Date. The number of RSUs to be credited to each Participant's Account shall be determined by the Board, or the Committee delegated by the Board to do so, each in its sole discretion.

### 4.2 Credits for Dividends

Following the declaration and payment of dividends on the Shares, the Board may, in its absolute discretion, grant each Participant a number of dividend equivalent RSUs (a "**Dividend Equivalent**"). Such Dividend Equivalent, if any, shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of outstanding Vested RSUs recorded in the Participant's Account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places. The additional RSUs granted to each Participant pursuant to this Section 4.2 will be subject to the same terms and conditions in the Participant's existing RSU Agreement, including, for greater certainty, the Vesting Date of such additional RSUs.

### 4.3 Maximum Number of Shares and Limitations

- (a) Subject to Section 6.1 and to adjustment pursuant to Section 5.5, the maximum number of Shares issuable pursuant to RSUs under this Plan shall be a number equal to 10% of the number of issued and outstanding Shares on a non-diluted basis at any time, provided that the number of Shares issued or issuable under all Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Shares, calculated from time to time at the date at which the rights to acquire Shares under such Security Based Compensation Arrangements are granted.
- (b) All Shares subject to RSUs that terminate or are cancelled without being settled shall be available for any subsequent grant of RSUs.
- (c) Under the Plan and any other Security Based Compensation Arrangement of the Corporation (i) the aggregate number of Shares issued to Insiders, within any one year period; and (ii) the aggregate number of Shares issuable to Insiders at any time, shall not exceed 10% of the issued and outstanding Shares.
- (d) For purposes of the calculations in this Section 4.3 only, it shall be assumed that all issued and outstanding RSUs will be settled by the issuance of Shares on a one-for-one basis from treasury, notwithstanding the Corporation's right pursuant to Section 5.2(b) to settle the Award Value underlying Vested RSUs in cash (if applicable) or by purchasing Shares on the open market.
- (e) In addition to the terms set out herein, the administration and limitations of this Plan will be subject to the provisions of the Company Manual.

## 5. VESTING AND SETTLEMENT OF RSUS

### 5.1 Vesting

The Board may, in its sole discretion, determine the time during which RSUs shall Vest, provided such RSUs Vest by the Vesting Date, and whether there shall be any other conditions or performance criteria to Vesting. Notwithstanding the foregoing, the Board may, at its sole discretion at any time or in the RSU Agreement in respect of any RSUs granted, accelerate or provide for the acceleration of vesting in whole or in part of RSUs previously granted. The Award Value of any RSU shall be determined as of the applicable Vesting Date.

### 5.2 Settlement

- (a) RSUs shall be settled upon or as soon as reasonably practicable following the Vesting thereof in accordance with 5, subject to the terms of the applicable RSU Agreement. In all events, Vested RSUs will be settled on or before December 31 of the year in which Vesting occurred.
- (b) The Board may determine whether the Award Value for Vested RSUs will be settled by way of a cash payment, payment in Shares (on the basis of one Share for each Vested RSU being settled in Shares) acquired by the Corporation on the Exchange, payment in Shares (on the basis of one Share for each Vested RSU being settled in Shares) issued from the treasury of the Corporation or a combination of such methods. Settlement of Vested RSUs in cash shall be made by way of a lump sum payment of an amount equal to the Market Price on the relevant settlement date multiplied by the number of Vested RSUs being settled in cash as of such date, unless otherwise directed by the Corporation. No fractional Shares will be issued and any fractional Vested RSUs shall be settled in cash based on the Market Price on the relevant settlement date.
- (c) Notwithstanding any election by the Corporation to settle the Award Value of any Vested RSUs, or portion thereof, in Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Vested RSUs shall not have the right, at any time to enforce settlement in the form of Shares of the Corporation.

### 5.3 Failure to Vest

For greater certainty, a Participant shall have no right to receive any payment or other benefit as compensation, damages or otherwise, with respect to any RSUs that do not become Vested or are otherwise forfeited in accordance with Section 5.4 below, and the Participant waives any claim or demand in relation thereto.

### 5.4 Termination of Employment or Service

RSUs subject to a Grant and Dividend Equivalent shall vest in such proportion(s) and on such Vesting Date(s) as may be specified in the RSU Agreement governing such Grant except as follows:

- (a) a Participant immediately ceases to be eligible to receive further grants of RSUs under this Plan as of the Termination Date;
- (b) in the case where a Participant's employment or service with the Corporation or an Affiliate terminates without Cause or due to Disability or Retirement, or a Director standing for election fails to be re-elected, or the Corporation or an Affiliate fails to renew a contract



for services at the end of its term, all RSUs that have not previously Vested shall expire on the Termination Date and be forfeited to the Corporation;

- (c) in the case of the death of a Participant, all RSUs that have not previously Vested shall expire on the date of death and be forfeited to the Corporation; and
- (d) in all other cases where a Participant's employment or service with the Corporation or an Affiliate ceases for any reason other than above in Sections 5.4(a), (b) and (c), including, without limitation, as a result of retirement or disability that does not meet the requirements set forth in the definitions of such terms in the Plan, voluntary resignation or termination for Cause, all RSUs that have not previously Vested shall expire on the Termination Date and be forfeited to the Corporation.

## **5.5 Alterations in Shares**

In the event:

- (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or
- (b) that any rights are granted to all or substantially all shareholders to purchase Shares at prices substantially below Market Price; or
- (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Shares are converted into or exchangeable for any other securities or property,

then the Board may make such adjustments to this Plan, to any RSUs and to any RSU Agreements outstanding under this Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of amounts to be paid to Participants hereunder, provided that such adjustments have been previously approved by the Exchange.

## **5.6 Change of Control**

In the event of a Change of Control, subject to the terms of a Participant's written employment agreement with the Corporation or an Affiliate and RSU Agreement in respect of the Grant, all RSUs that have not previously Vested shall Vest on the Change of Control Date. RSUs that Vest in accordance with this Section 5.6 shall be settled by a lump sum cash payment on the Change of Control Date equal to the Special Value, provided that the Special Value has been previously approved by the Exchange.

## **5.7 Postponement of Settlement**

If a Participant's RSUs would, in the absence of this Section 5.7, be settled within a Black-out Period, the settlement date for such RSUs shall be automatically postponed without further act or formality until the earlier of the tenth business day following the end of such Black-out Period and December 31 of the third year following the Service Year for any particular RSU. Notwithstanding Section 2.6, the ten business day period referred to in this Section 5.7 may not be extended by the Board.

## **6. MISCELLANEOUS**

### **6.1 Compliance with Laws**

The Corporation, in its sole discretion, may postpone the issuance or delivery of any Shares that it elects to issue pursuant to any RSU to such date as the Board may consider appropriate, and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Shares in compliance with applicable laws, rules and regulations, except that in no event may the issuance of such Shares in respect of a RSU occur after December 31 of the year in which Vesting occurred. The Corporation shall not be required to qualify for resale pursuant to a prospectus or similar document any Shares that it elects to issue pursuant to the Plan, provided that, if required, the Corporation shall notify the Exchange and any other appropriate regulatory bodies in Canada and the United States of the existence of the Plan and the granting of RSUs hereunder in accordance with any such requirements.

### **6.2 No Right to Continued Employment/Service/Expected Compensation**

- (a) A Participant's terms of employment or service shall not be affected by participation in the Plan. Nothing in this Plan or any RSU Agreement will confer on a Participant any right to continue in the employment or service of the Corporation or an Affiliate, or affect in any way the right of the Corporation or an Affiliate to terminate the Participant's employment or service at any time; nor will anything in this Plan or any RSU Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or an Affiliate to extend the employment or service of any Participant beyond the date on which the Participant's relationship with the Corporation or an Affiliate would otherwise be terminated due to retirement or pursuant to the provisions of any employment, consulting, or other contract for services with the Corporation or an Affiliate. Under no circumstances shall any person who is or has at any time been a Participant be able to claim from the Corporation or any Affiliate any sum or other benefit to compensate for the loss of any rights or benefits under or in connection with this Plan or by reason of participation in this Plan or the cessation of such participation for any reason whatsoever. Without limiting the generality of the foregoing, no RSUs shall at any time be issued or other compensation paid in respect of any RSUs which have been forfeited or terminated under the Plan or on account of damages relating to any RSUs which have been forfeited or terminated under the Plan.
- (b) In accepting a Grant, a Participant acknowledges, understands and agrees that the Grant and the Shares subject to the Grant, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments, notice of termination, severance or resignation or redundancy or dismissal or end-of service or termination payments, compensation or indemnity in lieu of notice, wrongful or constructive dismissal damages, damages for the failure to provide reasonable notice, period of salary continuation or of deemed employment or of deemed service, or any claim whatsoever by the Participant to any of the foregoing (whether express or implied and whether arising under contract or statute or otherwise at law in any manner).

### **6.3 No Additional Rights**

Neither the designation of an individual as a Participant nor the grant of any RSUs to any Participant entitles any person to the grant, or any additional grant, as the case may be, of any RSUs under the Plan.

#### **6.4 General Restrictions and Assignment**

- (a) Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.
- (b) The rights and obligations hereunder may be assigned by the Corporation to a successor corporation to the business of the Corporation.

#### **6.5 Market Fluctuations**

- (a) No amount will be paid to, or in respect of, a Participant under this Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Plan will be unfunded.
- (b) Participation in this Plan is entirely voluntary and not obligatory and no Participant has been induced to participate in the Plan by expectation of employment, engagement or continued employment or engagement with the Corporation or any Affiliate. The Participants, by participating in this Plan, will be deemed to have accepted all risks associated with acquiring Shares pursuant to this Plan. Each Participant acknowledges that the Shares are subject to Applicable Law. The Yangarra Group makes no undertaking, representation, warranty or guarantee as to the future value or price of any Shares issued under this Plan, and will not be liable to any Participant for any loss resulting from that Participant's participation in this Plan or as a result of the amendment, suspension or termination of this Plan or any RSU in accordance with its terms. The Corporation's exercise of its rights of amendment, suspension or termination of this Plan or any RSU in accordance with its terms will not constitute (a) a breach of any Participant's employment, consulting or other contract for services with any of the Yangarra Group, or (b) grounds for any Participant to claim constructive dismissal or constructive termination.

#### **6.6 No Shareholder Rights**

Until Shares have actually been issued and delivered should the Corporation elect to so issue Shares in accordance with the terms of the Plan, a Participant to whom RSUs have been granted shall not possess any incidents of ownership of such Shares including, for greater certainty and without limitation, the right to receive dividends, if any, on such Shares and the right to exercise voting rights in respect of such Shares.

#### **6.7 Governing Law**

The validity, construction and effect of this Plan and any actions taken or relating to this Plan shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

#### **6.8 Currency**

All amounts paid or values to be determined under this Plan shall be in Canadian dollars.

## **6.9** Severability

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

## **6.10** Language

The parties confirm that it is their wish that this Plan, as well as any other documents relating to this Plan, have been and will be drawn up in the English language only. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, soient rédigés en anglais seulement.*

## **6.11** Effective Time

This Plan shall be effective as of April 28, 2023.