

**DESERT MOUNTAIN ENERGY CORP.**

**Annual General and Special Meeting  
to be held on May 31, 2024**

**Notice of Annual General and Special Meeting  
and  
Information Circular**

**April 24, 2024**

**DESERT MOUNTAIN ENERGY CORP.**  
**Suite 1023, 14155 West Mountain View Boulevard**  
**Surprise, Arizona 85374 USA**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Desert Mountain Energy Corp. (the “**Company**”) will be held at Suite 888 – 700 West Georgia Street, Vancouver, British Columbia V7Y 1G5, on Friday, May 31, 2024 at **9:00 a.m.** (local time in Vancouver, British Columbia). At the Meeting, the shareholders will receive the financial statements for the year ended September 30, 2023, together with the auditor’s report thereon and consider resolutions to:

1. elect directors for the ensuing year;
2. appoint Crowe MacKay LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors to determine the remuneration to be paid to the auditor;
3. approve by ordinary resolution, the ratification and approval of an advance notice policy adopted by the board of directors, as more particularly set out in the section of the information circular accompanying this notice, entitled “Particulars of Matters to be Acted Upon – Ratification and Approval of Advance Notice Policy”;
4. confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange; and
5. transact such other business as may properly be put before the Meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to TSX Trust Company (“**TSX Trust**”). If a shareholder does not deliver a proxy to TSX Trust, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1, by **9:00 a.m.** (local time in Vancouver, British Columbia) on Wednesday, May 29, 2024 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on April 24, 2024 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 24th day of April, 2024.

**ON BEHALF OF THE BOARD**

(signed) "*Robert Rohlfing*"

Robert Rohlfing  
Chief Executive Officer

**DESERT MOUNTAIN ENERGY CORP.**  
**Suite 1023, 14155 West Mountain View Boulevard**  
**Surprise, Arizona 85374 USA**

**INFORMATION CIRCULAR**

(as at April 24, 2024 except as otherwise indicated)

**SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management (the “**Management**”) of Desert Mountain Energy Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Friday, May 31, 2024 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

**APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors and officers of the Company and the Company’s legal counsel. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to TSX Trust Company (“**TSX Trust**”) Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, ON M5H 4H1 by **9:00 a.m.** (local time in Vancouver, British Columbia) on Wednesday, May 29, 2024, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to TSX Trust, or by transmitting a revocation by telephonic or electronic means, to TSX Trust, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chair of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

**Provisions Relating to Voting of Proxies**

**The shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditor as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular,**

**the Management knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.**

#### **Advice to Beneficial Holders of Common Shares**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold 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 Company’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, then 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 that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., 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 of 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 or nominees) 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. **Therefore, each Beneficial Shareholder should ensure that 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 shareholder meetings. The various brokers and other 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. The form of instrument 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 registered shareholders by the Company. 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. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) 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 other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of*

*Securities of a Reporting Issuer* (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly 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 Company (and not the intermediary holding common shares 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 VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from TSX Trust. Please complete and return the VIF to TSX Trust in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. TSX Trust will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO’s intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by **9:00 a.m.** (local time in Vancouver, British Columbia) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, TSX Trust, unless specifically stated otherwise.

## **Financial Statements**

The audited financial statements of the Company for the year ended September 30, 2023, together with the auditor's report on those statements and Management's Discussion and Analysis ("MD&A"), will be presented to the shareholders at the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 90,258,109 common shares are issued and outstanding and an unlimited number of preferred shares of which no preferred shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote.

Shareholders registered as at April 24, 2024, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, no persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company.

## **ELECTION OF DIRECTORS**

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company was set at seven at the Company's 2022 annual general and special meeting.

Pursuant to the Advance Notice Policy first announced on March 26, 2023 and discussed in further detail below, any additional director nominations for the Meeting must have been received by the Company in compliance with the Advance Notice Policy no later than the close of business on April 30, 2024. As no such nominations were received by the Company prior to such date, Management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company, and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<p><b>Robert Rohlfiing</b> Arizona, USA <i>Chief Executive Officer, Executive Chair and a Director</i></p> <p><i>Previously President until July 12, 2021 and Previously Executive Vice-President Head of Technical Operations of the Company until July 27, 2020</i></p>	<p>2001 to 2018 – CEO Managing Partner, Seminole Oil Productions LLC., Oil &amp; Gas Production Company. 2010 to present, Founder SJ&amp;R. W. Rohlfiing Scholarship Fund; January, 2019 to present, Director of the Company; 2018 to July, 2020 Executive Vice-President Head of Technical Operations of the Company; July 17, 2020 to July 12, 2021 President of the Company.</p>	<p>January 17, 2019 to present</p>	<p>4,093,854<sup>(2)</sup></p>
<p><b>James Cronoble</b> Colorado, USA <i>Vice-President Exploration and a Director</i></p>	<p>A B.S. in Geology from the University of Oklahoma followed with both an M.S. and PhD. in Geology from the Colorado School of Mines. Jim has more than forty years of exploration and operations experience in the Rocky Mountains and Mid-Continent of the United States.</p>	<p>July 28, 2020 to present</p>	<p>Nil</p>
<p><b>Donald Mosher</b> British Columbia, Canada <i>President and a Director</i></p> <p><i>Previously Vice-President, Capital Markets until July 12, 2021</i></p>	<p>Business Consultant for the past 10 years.</p>	<p>August 10, 2020 to present</p>	<p>400,000</p>
<p><b>Jenaya Rohlfiing</b> Texas, USA <i>Director</i></p>	<p>A Petroleum Engineer who has exhibited exceptional technical, leadership and organizational skills in all facets of drilling operations for oil and gas over the past 15 years in various management positions with ConocoPhillips.</p>	<p>August 10, 2020 to present</p>	<p>Nil</p>
<p><b>Kelli Ward<sup>(3)</sup></b> Arizona, USA <i>Director</i></p>	<p>A family physician who is employed in the weight loss medicine field. She is also a best-selling author of two books released in 2021 &amp; 2022. A partner in Atlas Alliance, a consulting and marketing company.</p>	<p>March 31, 2021 to present</p>	<p>Nil</p>



Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<b>Weldon Stout</b> <sup>(3)</sup> Oklahoma, USA <i>Director</i>	A retired district court judge in Oklahoma. Prior to his appointment as a judge, his private practice focused on business, estate planning and Federal Court litigation.	November 17, 2021 to present	332,017
<b>Michael O’Shea</b> <sup>(3)</sup> Ontario, Canada <i>Director</i>	Mr. O’Shea is the head of the audit committee and is a retired CA CPA and investor.	August 9, 2023 to present	389,864

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) Of which, 1,440,000 shares are held by Mr. Rohlfsing's family trust.
- (3) A member of the audit committee.

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

### Corporate Cease Trade Orders or Bankruptcies

On January 30, 2024, the British Columbia Securities Commission (the “BCSC”), as the Company’s principal regulator, issued a management cease trade order (the “MCTO”) against Robert Rohlfsing, the Chief Executive Officer, Executive Chair and a director of the Company and Valorie Farley, the Chief Financial Officer of the Company, as a result of the Company not having filed its annual audited financial statements and MD&A for the year ended September 30, 2023, within the prescribed period of time. The MCTO was revoked on March 27, 2024, upon the Company filing its audited financial statements and MD&A, first quarter December 31, 2023 financial statements and MD&A and related filings. The Canadian Securities Administrators (the “CSA”) (which includes the BCSC in Canada) do not consider MCTOs issued to be a “penalty” or “sanction” for the purposes of disclosure obligations in Canadian securities legislation relating to penalties or sanctions. They are not issued as part of an enforcement process and the CSA regulators do not intend them to suggest a finding of fault or wrongdoing on the part of any individual named in the MCTO.

In addition, Mr. Davis, the Company's former Chief Financial Officer was the Chief Financial Officer of Future Farm Technologies Inc. from June 2016 to August 2017. On June 29, 2017 the BCSC issued a MCTO against insiders of Future Farm Technologies Inc. as a result of the company not having filed its annual audited financial statements and MD&A within the prescribed period of time. The MCTO was revoked on August 2, 2017 upon Future Farm Technologies Inc. filing the annual audited financial statements and MD&A. Mr. Davis was also the Chief Financial Officer of EXMceuticals Inc. from June to December 2019. On October 29, 2019, a MCTO was issued against insiders of EXMceuticals Inc. as a result of the company not filing their audited financial statements and MD&A within the prescribed period of time. The MCTO was revoked on December 9, 2019 upon EXMceuticals Inc. filing its annual audited financial statements and MD&A.

Other than the above, no director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, 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 be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Circular:

“CEO” of the Company means each individual who served as Chief Executive Officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

“CFO” of the Company means each individual who served as Chief Financial Officer of the Company or acted in similar capacity for any part of the most recently completed financial year.

“NEO” or “named executive officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar

capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 - *Statement of Executive Compensation*, for that financial year; and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended September 30, 2023, the Company had four NEOs, being Robert Rohlfing, the CEO, Executive Chair and former President, Valorie Farley, the CFO, Donald Mosher, the President and former Vice-President, Capital Markets and Scott Davis, the former CFO.

## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Discussion and Analysis

The Company has no formal compensation policy and has not appointed a compensation committee. The Board of Directors (the “**Board**”) as a whole is responsible for determining all forms of compensation to be granted to the CEO of the Company and the directors, and for reviewing the President's recommendations respecting compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. The Board is also responsible for reviewing and approving corporate goals and objectives relevant to an NEO’s compensation, evaluating the NEO’s performance in light of those goals and objectives and making recommendations with respect to the NEO’s compensation based on this evaluation.

The Board monitors levels of executive remuneration to ensure overall compensation reflects the Company’s objectives and philosophies and meets the Company’s desired relative compensation position. The key components comprising executive officer compensation are, currently, base salary and participation in the Company’s incentive stock option plan (the “**Plan**”). These components are normal for companies that are comparable to the Company. Executive compensation is based on a number of factors including a comparative informal review of information that may be provided to the Company and Board members by compensation consultants, recruitment agencies and auditors. At the end of each year, the Board also reviews actual performance against overall corporate objectives.

Executive officers’ compensation is designed in a manner to recognize and reward executive officers based upon individual and corporate performance, to be competitive with the compensation arrangements and programs established by other oil and gas companies with which the Company compares itself, and to be consistent with the executive officers’ respective contributions to the overall benefit of the Company.

CEO compensation is determined by the Board. The Board's view is that the salary of the CEO should be in line with competitive salaries for positions of similar responsibility at companies that are, like the Company, publicly held. In assessing compensation paid to the CEO, the Board also reviews available industry data relating to such companies and information or advice may be provided by compensation consultants or recruitment agencies. The CEO participates in discussions or reviews relating to executive compensation for NEOs, but does not participate in the discussions and reviews relating to his own compensation.

In establishing compensation objectives for executive officers, the Board seeks to:

1. motivate executives to achieve corporate performance objectives and reward them when such objectives are met;
2. recruit and subsequently retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in similar companies; and
3. align the interest of executive officers with the long-term interests of shareholders through participation in the Company's Plan.

As the Company is relatively young and growing quickly, formal objective measures and goals tied to executive compensation are not yet required, nor feasible. For the next year executive management intends to remain on their current fixed monthly contracts, with stock options as the main incentive tied to performance. There are currently no plans for the independent Board members (while retaining the right to do so as they determine) to review the issuance of material bonuses to executive management beyond their current executive contracts and monthly payments. Neither the Board nor a committee of the Board (if any), has proceeded to a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation programme, and the Board does not believe that the Company's compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

The Company's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

### **Employment, Consulting and Management Agreements**

The Company has written consulting agreements with its CEO and Executive Chair, Robert Rohlring, its President, Donald Mosher and its CFO, Valorie Farley.

The Company had previously entered into an agreement for services with Mr. Rohlring dated January 15, 2019 with respect to his services as Executive Vice-President Head of Technical Operations and as a member of the Board. Mr. Rohlring resigned as Executive Vice-President Head of Technical Operations on July 27, 2020 and was appointed as CEO, President and Executive Chair of the Company on July 27, 2020. He resigned as President on July 12, 2021 upon the appointment of Mr. Mosher as President. The service agreement of Mr. Rohlring originally provided for the payment of a monthly fee of US\$5,000, and was amended on November 1, 2019 to provide for an increase in the monthly fee to US\$10,000 per month until September 30, 2020. Beginning in October, 2020 Mr. Rohlring's monthly fee was increased to US\$20,000 per month and on June 1, 2021 the monthly fee was increased to US\$25,000 per month.

Mr. Mosher was appointed Vice-President Capital Markets and a Director of the Company on August 10, 2020 and pursuant to a verbal agreement, received an amount of \$10,000 per month. Beginning in June, 2021 Mr. Mosher's monthly fee was increased to \$15,000 per month. He was appointed President on July 12, 2021. Beginning in May, 2022 Mr. Mosher's monthly fee was increased to \$20,000.

On October 1, 2021 the Company replaced the foregoing verbal and written agreements with written executive consulting agreements (together, the "**Consulting Agreements**") with Messrs. Rohlring and Mosher (together, the "**Officers**"). The terms of the Consulting Agreements were to formalize and expand on their existing terms of services.

Pursuant to the Consulting Agreements Mr. Rohlring receives a monthly fee of US\$25,000 and Mr. Mosher receives a monthly fee of \$20,000. The Officers may also receive any benefits provided under a Company plan and any bonuses that may be solely determined by the independent members of the Board or Compensation Committee, if any. No bonuses or other compensation was paid in fiscal 2023 other than as disclosed in the Summary Compensation Table.

The Officers may terminate the Consulting Agreements by giving at least ninety (90) days written notice. Upon resignation, the Officer will be entitled to his annual salary earned to the date of cessation plus reimbursement of any final expenses and all bonuses earned and awarded in respect of any period before the date of cessation (collectively, the “**Final Fees**”). If an Officer is terminated with cause, the Company will pay the Officer the Final Fees, but otherwise shall have no further obligations to the Officer apart from stock option rights which may remain.

In the case of termination of an Officer without cause or a change of control the Company will pay severance to each Officer equal to twenty four (24) months of the monthly fee and an amount equal to any bonuses granted within twelve (12) months prior to termination. The Consulting Agreements are for a term of two (2) years, and are automatically renewed for terms of one (1) year thereafter.

Pursuant to an independent consulting agreement with the Company dated effective April 1, 2023 (the “**CFO Contract**”), Ms. Farley receives a monthly fee of US\$20,833. The CFO may also receive any stock option benefits provided under a Company plan and any bonuses that may be solely determined by the independent members of the Board or Compensation Committee, if any. No bonuses or other compensation was paid in fiscal 2023 other than as disclosed in the Summary Compensation Table.

The CFO may terminate the CFO Contract by giving at least ninety (90) days written notice. Upon such resignation, the CFO will be entitled to her annual salary earned to the date of cessation plus reimbursement of any final expenses. If the CFO is terminated with cause, no compensation is payable except in the event of a Triggering Event (as defined in the CFO Contract). If the CFO is terminated without cause, except in the event of a Triggering Event, the Company will pay severance pay equal to three (3) months salary for each full year of service, to a maximum of twelve (12) months severance plus a similar pro rata amount of any bonuses paid within the 12-month period prior to termination.

In the case of termination of the CFO in the event of a Triggering Event solicited by the Company, the Company will pay, within one year of the Triggering Event, severance equal to twelve (12) months of the monthly fee and an amount equal to any bonuses granted within twelve (12) months prior to termination. In the case of termination of the CFO in the event of a Triggering Event not solicited by the Company, the Company will pay, within one year of the Triggering Event, severance equal to twenty four (24) months of the monthly fee and an amount equal to two times any bonuses granted within twelve (12) months prior to termination.

Scott Davis, the former CFO of the Company, provided his services through Cross Davis & Company LLP (“**Cross Davis**”), an accounting firm of which he is a partner. There was no written agreement and Mr. Scott’s firm received \$5,000 per month for accounting services and hourly rates per month for corporate secretary services.

All dollar amounts are in Canadian funds unless otherwise stated.

### **Share-Based and Option-Based Awards**

The Company does not grant share-based awards. The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the

Company and to closely align the personal interest of such persons to the interest of the shareholders. The Board determines the number of stock options to be awarded, which are generally awarded to executive officers at the commencement of employment and periodically thereafter. When new options are granted, the Board takes into account the previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs. The exercise price of the stock options granted is generally determined by the market price at the time of grant, less any allowable discount.

### SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company's three most recently completed financial years to the Company's 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	Long-term incentive plans			
Robert Rohlfiing <i>CEO, Executive Chair and a Director<sup>(2)</sup></i>	2023	Nil	N/A	Nil	N/A	N/A	Nil	404,521 <sup>(3)</sup>	404,521
	2022	Nil	N/A	389,832	N/A	N/A	Nil	383,131 <sup>(3)</sup>	772,963
	2021	Nil	N/A	643,532	N/A	N/A	Nil	328,870 <sup>(3)</sup>	972,402
Valorie Farley <i>CFO<sup>(4)</sup></i>	2023	Nil	N/A	Nil	N/A	N/A	Nil	168,009	168,009
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Donald Mosher <i>President and a Director<sup>(5)</sup></i>	2023	Nil	N/A	Nil	N/A	N/A	Nil	240,000	240,000
	2022	Nil	N/A	341,103	N/A	N/A	Nil	210,000	551,103
	2021	Nil	N/A	664,520	N/A	N/A	Nil	140,000	804,520
Scott Davis <i>Former CFO<sup>(6)</sup></i>	2023	Nil	N/A	169,536	N/A	N/A	Nil	78,280 <sup>(7)</sup>	247,816
	2022	Nil	N/A	133,956	N/A	N/A	Nil	103,458 <sup>(7)</sup>	237,414
	2021	Nil	N/A	232,040	N/A	N/A	Nil	103,315 <sup>(7)</sup>	335,355

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

	2023	2022	2021
Risk-free interest rate:	3.73% - 3.83%	1.89%	0.40%
Expected dividend yield:	Nil	Nil	Nil
Expected volatility:	98.86% - 100.66%	100.06%	108.24%
Expected life of option:	5 years	4.48 years	2.96 years

The Company has chosen to utilize the Black-Scholes model for determining the “grant date fair value” as the Company believes it is the most accepted model for determining such calculations and it is used when determining calculations for the Company’s financial statements. The Company has calculated the “grant date fair value” in the “Option-based awards” column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security and the risk-free rate of return.

- (2) Mr. Rohlffing was appointed Executive Vice-President Head of Technical Operations of the Company and a Director on January 17, 2019 and resigned as Executive Vice-President Head of Technical Operations on July 27, 2020. Mr. Rohlffing was appointed as CEO, President and Executive Chair of the Company on July 27, 2020 and resigned as President on July 12, 2021.
- (3) Paid to a company controlled by Mr. Rohlffing for geological fees.
- (4) Ms. Farley was appointed CFO of the Company on April 26, 2023.
- (5) Mr. Mosher was appointed President on July 12, 2021 and resigned as Vice-President Capital Markets on July 12, 2021. Mr. Mosher was appointed Vice-President Capital Markets and a Director of the Company on August 10, 2020.
- (6) Mr. Davis was appointed CFO of the Company on May 1, 2019 and resigned as CFO of the Company on April 26, 2023.
- (7) These amounts were charged by Cross Davis, an accounting firm of which Mr. Davis is a partner, for professional fees. The amounts disclosed consist of consulting fees charged by Cross Davis to the Company, which are attributable to the services provided by Mr. Davis and hourly rates per month for corporate secretary services to the Company.

## INCENTIVE PLAN AWARDS

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

The Company does not have any share-based awards. The Company has a Plan which permits the granting of options to eligible participants to purchase up to a maximum of such number of common shares (the “Shares”) as is equal to 10% of the then issued and outstanding Shares of the Company. Further particulars of the Plan are set out below.

The following table sets forth the outstanding option-based awards held by the NEOs of the Company at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Robert Rohlffing <i>CEO, Executive Chair and a Director</i>	337,500 225,000 200,000	1.72 4.25 2.50	Mar. 2, 2024 <sup>(2)</sup> June 1, 2024 Jan. 17, 2027	Nil Nil Nil
Valorie Farley <i>CFO</i>	Nil	Nil	Nil	Nil
Donald Mosher <i>President and a Director</i>	100,000 287,500 175,000 175,000	1.76 1.72 4.25 2.50	Nov. 3, 2023 <sup>(2)</sup> Mar. 2, 2024 <sup>(2)</sup> June 1, 2026 Jan. 17, 2027	Nil Nil Nil Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s Shares on September 30, 2023 over the exercise price of the options. The market price for the Company’s Shares on September 29, 2023, being the last closing

price of the Company's Shares on the TSX Venture Exchange (the "Exchange") during the year ended September 30, 2023, was \$0.42.

- (2) These options expired subsequent to the most recently completed financial year, unexercised.

### Incentive Plan Awards – Value Vested or Earned During the Year

The Company does not have any non-equity incentive plans nor any share-based awards. The following table sets forth details of the value vested or earned for all Plan awards during the most recently completed financial year by each NEO:

#### Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>
Robert Rohlfing <i>CEO, Executive Chair and a Director</i>	Nil
Valorie Farley <i>CFO</i>	Nil
Donald Mosher <i>President and a Director</i>	Nil
Scott Davis <i>Former CFO</i>	Nil

Note:

- (1) All options granted to the NEOs vest as to 25% on the date of grant and as to 25% every six months thereafter, save for the options granted to Mr. Davis which vested as to 50% on the date of grant and as to 50% on the one year anniversary of the date of grant. The amount disclosed represents the excess of the market value of the Company's Shares on the date of vesting or date of exercise over the exercise price of the options.

### Narrative Discussion

As at September 30, 2023, the Company had one equity incentive plan, being the 10% rolling stock option Plan which was initially approved by the Board of Directors (the "Board") on February 14, 2022. The Plan was approved by shareholders at the annual general and special meeting held on March 23, 2022 and was re-confirmed by shareholders at the annual general meeting held on April 26, 2023. The Plan is a "rolling" Plan that is administered by the Board (or a committee thereof), pursuant to which the number of Shares reserved for issuance from time to time will not exceed 10% of the issued and outstanding Shares at the date of any grant, on an undiluted basis. The Plan provides that the Board may, from time to time, in its discretion, grant options to directors, officers, employees, consultants, other personnel of the Company and its subsidiaries or affiliates and eligible charitable organizations. There are, as of December 31, 2023 5,670,000 options outstanding under the Plan.

A summary of the Plan is set out in the section of this Circular entitled "Particulars of Matters to be Acted Upon – Confirmation of Stock Option Plan".



## PENSION BENEFITS

The Company does not provide retirement or other benefits for any of its directors or officers and the Company does not have any plans, other than the Plan, pursuant to which cash or non-cash compensation is paid or distributed to the NEOs.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has no compensatory plan, contract or arrangement in respect of compensation received or that may be received by the NEOs in the Company's most recently completed or current fiscal year to compensate such NEOs in the event of the termination of employment with the Company, a change of control of the Company or a change in responsibilities of NEOs following a change in control other than as disclosed above.

## DIRECTOR COMPENSATION

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the Board of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

Set out below is a summary of compensation paid or accrued during the Company's most recently completed financial year to the Company's directors, other than the NEOs previously disclosed:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
James Cronoble	40,481 <sup>(2)</sup>	N/A	Nil	N/A	Nil	Nil	40,481
Jenaya Rohlfing	Nil	N/A	Nil	N/A	Nil	Nil	Nil
Kelli Ward	Nil	N/A	Nil	N/A	Nil	Nil	Nil
Weldon Stout	Nil	N/A	339,072	N/A	Nil	Nil	339,072
Michael O'Shea <sup>(3)</sup>	4,000	N/A	90,207	N/A	Nil	Nil	94,207
Jessica Davey <sup>(4)</sup>	135,349	N/A	169,536	N/A	Nil	Nil	304,885

Note:

- (1) The fair value of option-based awards is determined by the Black-Scholes Option Pricing Model with the following assumptions:

2023

Risk-free interest rate:	3.73% - 3.83%
Expected dividend yield:	Nil
Expected volatility:	98.86% - 100.66%
Expected life of option:	5 years

The Company has chosen to utilize the Black-Scholes model for determining the “grant date fair value” as the Company believes it is the most accepted model for determining such calculations and it is used when determining calculations for the Company’s financial statements. The Company has calculated the “grant date fair value” in the “Option-based awards” column using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the option, the price of the underlying security and the risk-free rate of return.

- (2) Director fees paid to Board Technical Committee non-executive members.
- (3) Mr. O’Shea was appointed a director of the Company on August 9, 2023.
- (4) Ms. Davey was appointed a director of the Company on July 12, 2021 and resigned as a director of the Company on June 30, 2023.

## Narrative Discussion

Directors are compensated through the grant of stock options and directors’ fees related to Board committees.

## INCENTIVE PLAN AWARDS

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

The Company does not have any share-based awards. The following table sets forth details of all awards granted to directors of the Company which are outstanding at the end of the most recently completed financial year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
James Cronoble	75,000	1.76	Oct. 28, 2023 <sup>(2)</sup>	Nil
	175,000	1.72	Mar. 2, 2024 <sup>(2)</sup>	Nil
	100,000	4.25	June 1, 2024	Nil
	50,000	2.50	Jan. 17, 2027	Nil
Jenaya Rohlfling	75,000	1.76	Oct. 28, 2023 <sup>(2)</sup>	Nil
	100,000	1.72	Mar. 2, 2024 <sup>(2)</sup>	Nil
	100,000	4.25	June 1, 2024	Nil
	50,000	2.50	Jan. 17, 2027	Nil
Kelli Ward	300,000	2.71	Apr. 1, 2024 <sup>(2)</sup>	Nil
	100,000	4.25	June 1, 2024	Nil
	50,000	2.50	Jan. 17, 2027	Nil
Weldon Stout	100,000	2.50	Jan. 17, 2027	Nil
	200,000	2.35	Oct. 21, 2027	Nil
Michael O’Shea	300,000	0.44	Sept. 1, 2028	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s Shares on September 30, 2023 over the exercise price of the options. The market price for the Company’s Shares on September 29, 2023, being the last closing price of the Company’s Shares on the Exchange during the year ended September 30, 2023, was \$0.42.
- (2) These options expired subsequent to the most recently completed financial year, unexercised.

### Incentive Plan Awards – Value Vested or Earned During the Year

The Company does not have any non-equity incentive plans nor any share-based awards. The following table sets forth details of the value vested or earned for all Plan awards during the most recently completed financial year by each director:

#### Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>
James Cronoble	Nil
Jenaya Rohlfing	Nil
Kelli Ward	Nil
Weldon Stout	Nil
Jessica Davey	Nil
Michael O'Shea	Nil

Note:

- (1) Save for the options granted to Ms. Ward, Ms. Davey and Mr. Stout, all options granted to the directors vest as to 25% on the date of grant and as to 25% every six months thereafter. The options granted to Ms. Ward, Ms. Davey, Mr. O'Shea and Mr. Stout vest as to 50% on the date of grant and 50% on the one year anniversary of the date of grant. The amount disclosed represents the excess of the market value of the Company's Shares on the date of vesting or the date of exercise over the exercise price of the options.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at the end of December, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) <sup>(1)</sup>	Weighted-average exercise price of outstanding options, warrants and rights (b) <sup>(1)</sup>	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) <sup>(1)</sup>
Equity compensation plans approved by the securityholders	5,670,000	\$2.52	3,355,810
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
<b>Total</b>	<b>5,670,000</b>	<b>\$2.52</b>	<b>3,355,810</b>

- (1) This chart only provides information on the Company's Plan and issuance of options under that Plan. It does not include warrants or rights issued pursuant to a private placement of securities by the Company or any other issuances.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

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

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors, the approval of the Advance Notice Policy and the confirmation of the Plan.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise set out in this Circular, none of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

### **APPOINTMENT OF AUDITOR**

At the Meeting, shareholders will be asked to pass a resolution appointing Crowe MacKay LLP, Chartered Professional Accountants, as the auditor of the Company, to hold office until the next annual meeting of shareholders and to authorize the Board to fix the remuneration to be paid thereto. Crowe MacKay LLP, Chartered Professional Accountants, was appointed as the Company's auditor effective November 3, 2022.

### **MANAGEMENT CONTRACTS**

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

### **AUDIT COMMITTEE**

The Company is required to have an audit committee (the "Audit Committee") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company.

#### **Audit Committee Charter**

The text of the Audit Committee's charter is set out in the Company's past Information Circulars and most recent Annual Information Forms, all available on SEDAR+ at <https://www.sedarplus.ca/landingpage/>.

## **Composition of Audit Committee and Independence**

The Company's Audit Committee consists of Michael O'Shea (Chair), Kelli Ward and Weldon Stout.

The Audit Committee has been expressly authorized by the Board to (a) engage independent counsel and other advisors as it determines necessary to carry out its duties, (b) set and pay the compensation for any advisors employed by the Audit Committee, and (c) communicate directly with the internal and external auditors.

National Instrument 52-110 - *Audit Committees* ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. All of the Company's Audit Committee members are "independent" within the meaning of NI 52-110.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are "financially literate" as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his or her responsibilities as an audit committee member.

### **Relevant Education and Experience**

#### ***Michael O'Shea (Director)***

Mr. O'Shea was appointed the head of the audit committee as an independent director and has significant experience in senior audit and management roles. Mr. O'Shea is a retired chartered accountant and certified public accountant and holds a Master of Business Administration degree. His career spanned over 35 years, initially articling with KPMG and the Ontario Provincial Auditor's Office, followed by senior audit positions at Enbridge and Gulf Canada. Mr. O'Shea returned to the Ontario government where he held senior management and audit roles, including Ontario Hydro and regulatory positions at the Ontario Telephone Commission and the Ontario Energy Board. He is currently retired from private and public practise other than his positions with the Company.

#### ***Dr. Kelli Ward (Director)***

Dr. Ward is a family physician who is employed in the weight loss medicine field. She is also a best-selling author of two books released in 2021 and 2022, and a partner in Atlas Alliance, a consulting and marketing company. Dr. Ward has extensive experience overseeing and running the financial systems of an operating business.

#### ***Weldon Stout (Director)***

Mr. Stout is a retired district court judge in Oklahoma. Prior to his appointment as a judge, his private practice focused on business, estate planning and Federal Court litigation. He also ran commercial real estate businesses for over 30 years.

### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the following:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110;
- (b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52-110;
- (c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;
- (d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
- (e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemption*).

### Pre-Approval Policies and Procedures

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

### Audit Fees

The following table sets forth the fees billed to the Company and its subsidiaries by Smythe LLP, Chartered Professional Accountants, for services rendered in the fiscal year ended September 30, 2022 and by Crowe MacKay LLP, Chartered Professional Accountants, for services rendered in the fiscal year ended September 30, 2023:

	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup> .....	100,000	40,250
Audit related fees <sup>(2)</sup> .....	Nil	Nil
Tax fees <sup>(3)</sup> .....	Nil	Nil
All other fees <sup>(4)</sup> .....	<u>Nil</u>	<u>Nil</u>
Total	<u>100,000</u>	<u>40,250</u>

Notes:

- (1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
- (2) “Audited related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

### **Exemption in Section 6.1**

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

### **Board of Directors**

Management is nominating seven individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Robert Rohlffing, who is the CEO and the Executive Chair of the Company, Donald Mosher who is the President of the Company and Jenaya Rohlffing, who is the daughter of Robert Rohlffing.

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

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

The Board exercises its independent supervision over Management by its policies that (a) periodic meetings of the Board with and without Management (including members of Management who are also directors of the Company) be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the President, or subject to the Articles of the Company, of any director. The Board also exercises independent supervision over Management by having four independent directors on the Board.

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

### **Directorships**

None of the directors of the Company are also directors of other reporting issuers.

### **Orientation and Continuing Education**

The Company has not yet developed an official orientation or training program for directors. The Board’s practice is to recruit for the Board only persons with extensive experience in the oil and gas industry and in public company matters. Prospective new board members will have the opportunity to become familiar with the Company by meeting with the other directors, officers and employees of the Company and are provided a reasonably detailed level of background information, verbal and documentary, on the Company’s affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements. As each director has a different skill set and professional background, orientation and training activities are tailored to the particular needs and experience of each director.

### **Ethical Business Conduct**

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of its overall stewardship responsibility. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of Management and in the best interests of the Company. The Company has adopted a Code of Conduct which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies will be available at the Meeting.



## **Nomination of Directors**

The Board has not appointed a nominating committee. Rather, the Board as a whole, is responsible for identifying and recommending new candidates for board nomination, having regard to the appropriate size of the Board and the necessary competencies and skills of the Board as a whole and of each director individually. New nominees should have a track record in general business management, special expertise in an area of strategic interest to the Company, and the ability to devote the time required.

## **Compensation**

The Board is responsible for determining all forms of compensation to be granted to the CEO of the Company and the directors, and for reviewing the President's recommendations respecting compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation compared to the remuneration paid by other reporting issuers similarly placed within the same business as the Company; (iii) balancing the interests of Management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to the Company's executive officers consists of two components: (i) base salary and (ii) long-term incentive in the form of stock options.

## **Other Board Committees**

At the present time, the only standing committees are the Audit Committee and a Technical Committee. As the Company grows, and its operations and management structure became more complex, the Board expects it will constitute more formal standing committees, such as a corporate governance committee, a compensation committee and a nominating committee.

## **Assessments**

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of the Audit Committee. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board.

The Board believes its corporate governance practices are appropriate and effective for the Company, given its size and operations. The Company's corporate governance practices allow the Company to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

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

### **Ratification and Approval of Advance Notice Policy**

Effective March 26, 2023, the Board adopted an advance notice policy (the "**Advance Notice Policy**"), a copy of which is attached as Schedule "A" to this Circular. In order for the Advance Notice Policy to

remain in effect following termination of the Meeting, the Advance Notice Policy must be ratified and approved at the Meeting.

*Purpose of the Advance Notice Policy*

The Board is committed to facilitating an orderly and efficient process for the nomination of directors at shareholder meetings, ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees to register an informed vote.

The purpose of the Advance Notice Policy is to provide shareholders, directors and Management with a clear framework for nominating directors. The Advance Notice Policy fixes a deadline prior to any shareholders' meeting called for the election of directors by which a registered shareholder may submit director nominations to the Company, and sets forth the information that the nominating shareholder must include in the notice to the Company in order for a nominee to be eligible for election.

*Terms of the Advance Notice Policy*

The following information is intended as a brief description of the Advance Notice Policy and is qualified in its entirety by the full text of the Advance Notice Policy. Briefly, the Advance Notice Policy:

- provides that advance notice to the Company must be given where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to: (i) a requisition made in accordance with section 167 of the Act; or (ii) a "proposal" made in accordance with section 188 of the Act;
- fixes a deadline by which a registered shareholder may submit director nominations to the Company prior to any annual or special meeting and sets out the specific information that must be included in the written notice to the Company for an effective nomination to occur;
- provides that, in the case of an annual meeting, notice to the Company must be given no fewer than 30 days nor more than 65 days prior to the date of the meeting; provided that if the meeting is to be held on a date that is fewer than 50 days after the date on which the first public announcement of the date of the meeting was made, notice may be given no later than the close of business on the 10th day following such public announcement;
- provides that in the case of a special general meeting that is not also an annual meeting, notice to the Company must be made no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made; and
- provides that the Board, in its sole discretion, may waive any requirement of the Advance Notice Policy.

*Ratification and Approval of Advance Notice Policy by Shareholders*

If the Advance Notice Policy is ratified and approved by the shareholders at the Meeting, it will be subject to an annual review by the Board. The Board will update the Advance Notice Policy to reflect any changes required by securities regulatory authorities and applicable stock exchanges or as otherwise determined to be in the best interests of the Company and its shareholders.

Accordingly, at the Meeting, the shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, an ordinary resolution as follows:

**"IT IS RESOLVED, as an ordinary resolution, THAT:**

- (a) the Company's Advance Notice Policy (the "**Advance Notice Policy**"), a copy of which is attached as Schedule "A" to the information circular of the Company dated April 24, 2024, be and is hereby ratified and approved;
- (b) the board of directors of the Company be and is authorized in its absolute discretion to administer the Advance Notice Policy and to amend or modify the Advance Notice Policy to the extent needed to reflect changes required by securities regulatory authorities and applicable stock exchanges, or as otherwise determined to be in the best interests of the Company and its shareholders; and
- (c) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver all such documents, instruments and assurances as in the opinion of such director or officer may be necessary or desirable to give effect to the foregoing resolutions."

Under the Articles of the Company and the Act, the ordinary resolution to ratify and approve the Advance Notice Policy must be approved by at least a simple majority of 50% plus one vote of the votes cast by the shareholders present in person or by proxy at the Meeting.

The Board has determined that the Advance Notice Policy is in the best interests of the Company and its shareholders, and unanimously recommends that shareholders vote in favour of the resolution ratifying and approving the Advance Notice Policy. In the absence of contrary directions, the management designees of the Company intend to vote proxies in the accompanying form of proxy in favour of the ordinary resolution ratifying and approving the Advance Notice Policy.

### **Confirmation of Stock Option Plan**

Shareholders are being asked to confirm approval of the Company's Plan which was approved by shareholders of the Company at the annual general and special meeting held on March 23, 2022 and re-confirmed by shareholders at the annual general meeting held on April 26, 2023. The Plan was approved by the Board on February 14, 2022. There have been no material changes to the Plan since it was adopted by the Board.

In accordance with the policies of the Exchange, a plan with a rolling 10% maximum must be confirmed by shareholders at each annual general meeting.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, which may be obtained by any securityholder of the Company free of charge by contacting the Company by email at [don@desertmountainenergy.com](mailto:don@desertmountainenergy.com).

- (a) the maximum aggregate number of Shares that can be issued pursuant to the exercise of options granted under the Plan or otherwise, is 10% of the Company's issued and outstanding Share capital (on a non-diluted basis) calculated as at the date of any such grant or issuance;
- (b) all percentage limitations on the granting of options in the Plan are calculated as of the date of the grant;
- (c) the exercise price of the options shall be that price per Share, as determined by the Board in its sole discretion, as of the date of grant, and shall be set at a minimum of the closing price of the Company's Shares traded through the facilities of the Exchange on the day preceding the date of grant, or such other price as may be required by the Exchange;

- (d) stock options granted under the Plan will have an expiry date not to exceed ten years from the date of grant;
- (e) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the Plan;
- (f) stock options will vest as required by the Exchange and as may be determined by the administrator of the Plan, or in the absence of such body, the Board;
- (g) stock options granted will expire no later than 30 days after an optionee ceases to be involved with the Company;
- (h) the Company cannot grant options to any one consultant in any 12-month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company calculated as at the date of any such grant or issuance;
- (i) the Company cannot grant options in any 12 month period to persons employed or engaged by the Company to perform investor relations activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three month period, beginning after the first three months;
- (j) in connection with the exercise of an option, as a condition to such exercise the Company may require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option;
- (k) if a change of control, as described in the Plan, occurs, all unvested options shall immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the Exchange;
- (l) any adjustment, other than in connection with a security consolidation or security split, to options granted or issued under the Plan must be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization;
- (m) the Company may, subject to Board approval, allow for the cashless exercise of stock options payable in cash or securities (commonly known as Stock Appreciation Rights). These may not vest for a period of one year after granting, subject to specific exemptions such as the death of the option holder or in the event of a takeover bid, and are not available to investor relations service providers. An option holder who wishes to exercise a Stock Appreciation Right will receive, at no cost to the option holder, subject to any cash amounts withheld or demanded by the Company to comply with applicable tax requirements, that number of Shares, disregarding fractions, that is equal to the net value of the option as determined below and shall not be obligated to provide any cash payment to the Company for the exercised portion of the option. The option holder will receive the number of underlying Shares of the Company that is equal to the quotient obtained by dividing:

- (i) the product of the number of options being exercised multiplied by the difference between the VWAP of the underlying Shares of the Company and the exercise price of the subject options by,
  - (ii) the VWAP of the Shares of the Company; and
- (n) pursuant to the policies of the Exchange the Company will be required to obtain disinterested shareholder approval:
- (i) before the number of Shares under option to insiders within any 12-month period may exceed 10% of the outstanding Share capital of the Company, and before the number of Shares reserved for issuance pursuant to options granted to insiders exceed, at any one time, 10% of the outstanding Share capital of the Company,
  - (ii) for the reduction in the exercise price per Share of options or extension of options previously granted to insiders, and
  - (iii) before the number of Shares under option at any specific time to any one option holder may exceed 5% of the issued and outstanding Share capital of the Company (determined at the date the option was granted) in any 12 month period.

In accordance with the policies of the Exchange, a plan with a rolling 10% maximum must be confirmed by shareholders at each annual general meeting.

Accordingly, at the Meeting, the shareholders will be asked to pass the following resolution:

**“IT IS RESOLVED, as an ordinary resolution, THAT the Stock Option Plan is hereby approved and confirmed.”**

### **General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information about the Company is provided in the Company’s comparative annual financial statements to September 30, 2023, a copy of which, together with the MD&A thereon, can be found on the Company’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Additional financial information concerning the Company may be obtained by any securityholder of the Company free of charge by contacting Don Mosher, President, by email at [don@desertmountainenergy.com](mailto:don@desertmountainenergy.com).

**BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 24th day of April, 2024.

**ON BEHALF OF THE BOARD**

(signed) "*Robert Rohlfing*"

Robert Rohlfing  
Chief Executive Officer

**DESERT MOUNTAIN ENERGY CORP.**  
(the “Corporation”)

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**Schedule “A”**  
**Advance Notice Policy**

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March 26, 2023

**INTRODUCTION**

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice Policy (the “**Policy**”) is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Policy fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the Corporation that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This policy will be subject to, if and as determined by the Board, an annual review and will reflect changes as required by securities regulatory authorities or stock exchanges, or so as to meet industry standards from time to time.

**DIRECTOR NOMINATIONS**

1. Only persons who are eligible under the *Business Corporations Act* (British Columbia) (the “**Act**”) and are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the “**Board**”) may be made at any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
  - a. by or at the direction of the Board, including pursuant to a notice of meeting;
  - b. by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with the British Columbia *Business Corporations Act* (the “**Act**”), or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - c. by any person (a “**Nominating Shareholder**”) who meets the following requirements:
    - (A) is, at the close of business on the date of the giving by the Nominating Shareholder of the Notice (as defined in paragraph 3 below) and is also at the close of business on the record date for Notice of such meeting, entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
    - (B) complies with the Notice procedures set forth below in paragraphs 2, 3, 4 and 7 of this Policy.
2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder (a “**Nomination**”), the Nominating Shareholder must have given Notice that:
  - a. meets the requirements of paragraph 3;

- b. is timely and delivered in accordance with paragraph 4; and
  - c. is delivered in accordance with paragraph 7.
3. To be in proper written form, a Nominating Shareholder's notice (the "Notice") must set forth:
- a. The effective date of the information in the Notice, which date shall be within 10 calendar days of the date of delivery of the Notice to the Corporation;
  - b. as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (A) the name, age, business address and residential address of the person;
    - (B) the principal occupation or employment of the person for the 5 year period preceding the effective date of the Notice;
    - (C) the citizenship of such person;
    - (D) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and also as of the date of such Notice;
    - (E) the amount and material terms of any other securities, including any options, warrants or convertible securities, in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and also as of the date of such Notice;
    - (F) a description of any relationships, agreements, arrangements, or understandings (including financial, compensation or indemnity related) between the proposed nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the proposed nominee or Nominating Shareholder, in connection with the proposed nominee's nomination and election as director;
    - (G) a personal information form in the form prescribed by the principal stock exchange on which the shares of the Corporation then trade if normally required by the Company for its nominated directors and officers in the normal course of business; and
    - (H) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
  - c. as to the Nominating Shareholder giving the notice:
    - (A) their name, business address and residential address;
    - (B) the class or series and number of shares in the capital of the Company that are directly or indirectly controlled or directed by or owned beneficially or of record by the Proposed Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and/or as of the date of such notice;
    - (C) the interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purposes or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
    - (D) the full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any shares of the Company or the nomination of directors to the board; and
    - (E) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).



The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

4. To be timely, a Nominating Shareholder's Notice must be delivered:
  - a. in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, Notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's Notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such Notice.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Policy; provided, however, that nothing in this Policy shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a Nomination was made in accordance with this Policy and, if any proposed Nomination is not in compliance with this Policy, to declare that such defective Nomination shall be disregarded.
6. For purposes of this Policy:
  - a. "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
  - b. "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
7. Notwithstanding any other provision of this Policy, Notice given to the Secretary of the Corporation pursuant to this Policy may only be given by personal delivery or facsimile transmission as follows:

<p>TO:</p> <p>Desert Mountain Energy Corp. c/o Bennett Jones LLP Suite 2500, 666 Burrard Street, Vancouver, B.C., V6C 2X8 Fax No. 604 558-4200</p>	<p>With a Copy to:</p> <p>Att: S. Lockwood, Counsel Email: stewlockwood@gmail.com</p>
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Any Notice shall be deemed to have been given and made only at the time it is served by personal delivery or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day. Notice by email alone is not sufficient for the purposes of this Policy.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy. This Policy may be amended by the Board to adopt such laws, regulations, forms, rules or policies as required or recommended or allowed by securities regulatory agencies or stock exchanges, or as otherwise determined by the Board so as to meet or exceed industry standards.

#### **EFFECTIVE DATE**

This Policy was approved and adopted by the Board on the date first set out above (the “**Effective Date**”) and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Policy is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this Policy shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.

#### **GOVERNING LAW**

This Policy shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.