

**DESERT MOUNTAIN ENERGY CORP.**

**Annual General Meeting  
to be held on May 30, 2025**

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

**April 25, 2025**

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

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders of Desert Mountain Energy Corp. (the “**Company**”) will be held at Suite 506-889 West Pender Street, Vancouver, British Columbia, V6C 3B2, on Friday, May 30, 2025 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, 2024, together with the auditor’s report thereon and consider resolutions to:

1. elect directors for the ensuing year;
2. appoint Davidson & Company 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. confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange; and
4. 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 Computershare Trust Company. If a shareholder does not deliver a proxy to Computershare Trust Company of Canada (“**Computershare**”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524 or by mail to 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 marked “**Attention Proxy Department**” by **9:00 a.m.** (local time in Vancouver, British Columbia) on Wednesday, May 28, 2025 (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 25, 2025 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 25th day of April, 2025.

**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 25, 2025 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 meeting of the shareholders of the Company to be held on Friday, May 30, 2025 (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/or officers of the Company. **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 Computershare Trust Company of Canada (“Computershare”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524 or by mail to 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 marked “Attention Proxy Department” by **9:00 a.m.** (local time in Vancouver, British Columbia) on Wednesday, May 28, 2025, 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 Computershare Trust Company, or by transmitting a revocation by telephonic or electronic means, to Computershare Trust Company, 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 Computershare Trust Company. Please complete and return the VIF to Computershare Trust Company in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare Trust Company 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, Computershare Trust Company, unless specifically stated otherwise.

## **Financial Statements**

The audited financial statements of the Company for the year ended September 30, 2024, 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 93,284,109 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 25, 2025, 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 2024 annual general and special meeting.

Pursuant to the Advance Notice Policy first announced March 26, 2023 and approved by shareholders of the Company on May 31, 2024, 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, 2025. 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 Rohlffing</b> Arizona, USA <i>Chief Executive Officer, Executive Chair and a Director</i></p> <p><i>Previously President until July 12, 2021</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. Rohlffing 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>4,113,854<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 Rohlffing</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>
<p><b>Weldon Stout<sup>(3)</sup></b> Oklahoma, USA <i>Director</i></p>	<p>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.</p>	<p>November 17, 2021 to present</p>	<p>332,017</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>
Michael O'Shea <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	379,603

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. Rohlffing'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 Rohlffing, 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 CSA regulators (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.

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**

See attached Schedule B

**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets out those securities of the Company which have been authorized for issuance under all equity compensation plans, as at September 30, 2024:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) <sup>(1)</sup></b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b) <sup>(1)</sup></b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) <sup>(1)</sup></b>
Equity compensation plans approved by the securityholders	8,270,000	\$0.90	755,810
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
<b>Total</b>	8,270,000	\$0.90	755,810

<sup>(1)</sup> This chart only provides information on the Company’s Stock Option 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, as hereinafter defined.

## **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 Davidson & Company 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. Davidson & Company LLP, Chartered Professional Accountants, was appointed as the Company's auditor effective July 2, 2024 following the resignation of Crowe MacKay LLP, Chartered Professional Accountants, at its own initiative.

As required by Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations*, attached as **Schedule "A"** to this Circular are copies of the following documents which were filed with the applicable securities regulatory authorities in connection with the change of auditor described above, and are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com):

1. Notice of Change of Auditor dated July 2, 2024;
2. Letter from Davidson & Company LLP, Chartered Professional Accountants, dated July 2, 2024;  
and
3. Letter from Crowe MacKay LLP, Chartered Professional Accountants, dated July 2, 2024.

## **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. 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 Crowe MacKay LLP, Chartered Professional Accountants, for services rendered in the fiscal year ended September 30, 2023 and by Davidson & Company LLP, Chartered Professional Accountants, for services rendered in the fiscal year ended September 30, 2024:

	<u>2024</u>	<u>2023</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup> .....	170,000	100,000
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>170,000</u>	<u>100,000</u>
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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 Rohlfing, who is the CEO and the Executive Chair of the Company, Donald Mosher who is the President of the Company and Jenaya Rohlfing, who is the daughter of Robert Rohlfing.

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**

### **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 and special general meeting held on May 31, 2024. The Plan was originally approved by the Board on February 14, 2022. There have been no material changes to the Plan since it was adopted by the Board.

A brief description of the Plan is set out in the section entitled "**Stock Option Plan Overview – Narrative Discussion**" in Schedule B Statement of Executive Compensation and is qualified in its entirety by the full text of the Plan, which will be available for review at the Meeting.

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:

“BE IT RESOLVED THAT:

1. Amendments to the Plan or any option, including: amendments of a “housekeeping” nature; a change to the vesting provisions of an option; accelerating the expiry date of an option; amending the definitions contained within the Plan; amending or modifying the mechanics of the exercise of options (except with respect to, other than as specifically allowed in the Plan, the requirement that full payment be received for the exercise of options); amendments that are necessary to comply with the provisions of applicable laws or the rules, regulations and policies of the TSXV; amendments relating to the administration of the Plan; amendments that are necessary to suspend or terminate the Plan; and any other amendment, whether fundamental or otherwise, not requiring shareholder approval as may be allowed by the TSXV under their applicable rules, regulations and policies and approved by the Board is hereby approved, ratified and confirmed;
2. The Company's stock option plan referred to as the Plan in the form presented to the Shareholders be and is hereby approved, ratified and confirmed;
3. all unallocated options under the Current Plan be and are hereby approved; and
4. the Board of Directors are granted the power and authority to make certain any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution.”

In the event of a negative vote by the shareholders with respect to the proposed approval of the Current Plan, management reserves the right to submit such resolution pertaining to the incentive stock option plan to the next general meeting of the shareholders. However, all options previously granted and unexercised will continue unaffected.

### **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, 2024, 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 and electronic delivery is authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 25th day of April, 2025.

### **ON BEHALF OF THE BOARD**

(signed) "*Robert Rohlfiing*"

Robert Rohlfiing  
Chief Executive Officer

## **DESERT MOUNTAIN ENERGY CORP.**

14155 W. Mountain View Blvd. #1023,  
Surprise, Arizona, 85374, USA

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July 2, 2024

TSX Venture Exchange  
British Columbia Securities Commission  
Ontario Securities Commission  
Alberta Securities Commission  
Securities Commission of Saskatchewan  
Securities Commission of Manitoba  
Securities Commission of New Brunswick  
Securities Commission of Nova Scotia  
Securities Commission of Prince Edward Island  
Securities Commission of Newfoundland and Labrador

Dear Sirs/Mesdames:

**Re: Notice of Change of Auditors**

In accordance with National Instrument 51-102, Desert Mountain Energy Corp. (the "**Corporation**") hereby gives notice that:

1. On the request of the Corporation, Crowe MacKay LLP, Chartered Professional Accountants ("MacKay") have resigned as Auditors of the Corporation effective immediately, to facilitate the appointment of Davidson & Co. LLP, Chartered Professional Accountants;
2. MacKay has not issued any adverse, qualified opinion or denial of opinion on the annual financial statements of the Corporation for the two fiscal years preceding the date of this Notice or any similar reservation on interim financial information for any subsequent period preceding the date of this Notice;
3. The Corporation's Board of Directors have accepted MacKay's resignation as the Corporation's auditors and approved the proposal to change auditors; and
4. There have been no reportable disagreements or unresolved issues between the Corporation and MacKay over any audit conducted over the two most recent fiscal years and any subsequent period preceding the date of this Notice. There have been no reportable consultations between the Corporation and the successor auditor during this period.

**DESERT MOUNTAIN ENERGY CORP.**

14155 W. Mountain View Blvd. #1023,  
Surprise, Arizona, 85374, USA

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Respectfully,

**DESERT MOUNTAIN ENERGY CORP.**

Per:

/s/ "Robert Rohlfig"

Robert Rohlfig, CEO & Executive Chair

July 2, 2024

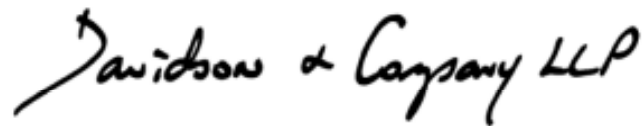
**TSX Venture Exchange  
British Columbia Securities Commission  
Ontario Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
New Brunswick Securities Commission  
Nova Scotia Securities Commission  
PEI Office of the Superintendent of Securities  
Service NL**

Dear Sirs / Mesdames:

**Re: Desert Mountain Energy Corp. (the "Company")  
Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated July 2, 2024, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,



**DAVIDSON & COMPANY LLP**  
Chartered Professional Accountants

**cc: TSX Venture Exchange**





**Crowe MacKay LLP**  
Elveden House 1700,  
717 - 7 Ave SW  
Calgary, AB T2P 0Z3  
Main +1(403) 294-9292  
Fax +1(403) 294-9262  
[www.crowemackay.ca](http://www.crowemackay.ca)

July 2, 2024

Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Saskatchewan Financial Services Commission  
Manitoba Securities Commission  
Office of the Administrator, New Brunswick  
Nova Scotia Securities Commission  
Registrar of Securities, Prince Edward Island  
Securities Commission of Newfoundland and Labrador

Dear Sirs/Mesdames:

**Re: Notice of Change of Auditors - Desert Mountain Energy Corp.**

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice of Change of Auditor of Desert Mountain Energy Corp. dated July 2, 2024 (the "**Notice**") and, based on our knowledge of information at this time, we agree with the statements contained in such Notice.

Yours very truly,

*Crowe MacKay LLP*

Chartered Professional Accountants

**DESERT MOUNTAIN ENERGY CORP.**

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**Schedule “B”  
Statement of Executive Compensation**

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**FORM 51-102F6 - STATEMENT OF EXECUTIVE COMPENSATION  
(for the year ended September 30, 2024)**

The following information is presented by the management of Desert Mountain Energy Corp. (the “**Company**”) in accordance with Form 51-102F6 – *Statement of Executive Compensation* of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**Form 51-102F6**”).

**General**

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, 2024, the Company had three NEOs, being Robert Rohlfing, the CEO, Executive Chair and former President, Valorie Farley, the CFO and Donald Mosher, the President and former Vice-President, Capital Markets. Scott Davis, the former CFO was replaced by Valorie Farley on April 26, 2023.

## 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 Chief Financial Officer, 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 2024 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 2024 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 Rohlfgang <i>CEO, Exec, Chair and a Director</i> <sup>(2)</sup>	2024	Nil	N/A	143,116	N/A	N/A	Nil	407,734 <sup>(3)</sup>	550,850
	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
Valorie Farley <i>CFO</i> <sup>(4)</sup>	2024	Nil	N/A	134,170	N/A	N/A	Nil	339,893	474,063
	2023	N/A	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
Donald Mosher <i>President and a Director</i> <sup>(5)</sup>	2024	Nil	N/A	143,116	N/A	N/A	Nil	240,000	383,116
	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
Scott Davis <i>Former CFO</i> <sup>(6)</sup>	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	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

Note:

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Risk-free interest rate:	3.83%	3.73% - 3.83%	1.89%
Expected dividend yield:	Nil	Nil	Nil
Expected volatility:	99.22%	98.86% - 100.66%	100.06%
Expected life of option:	3 years	5 years	4.48 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. Rohlfgang 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. Rohlfgang 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. Rohlfgang for geological fees and consulting 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 Rohlfig <i>CEO, Executive Chair and a Director</i>	800,000	0.36	June 28, 2027	Nil
	200,000	2.50	Jan. 17, 2027	Nil
Valorie Farley <i>CFO</i>	750,000	0.36	July 28, 2027	Nil
	Nil	Nil	Nil	Nil
Donald Mosher <i>President and a Director</i>	800,000	0.36	July 28, 2027	Nil
	175,000	4.25	June 1, 2026	Nil
	175,000	2.50	Jan. 17, 2027	Nil

Note:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s Shares on September 30, 2024 over the exercise price of the options. The market price for the Company’s Shares on September 29, 2024, being the last closing price of the Company’s Shares on the TSX Venture Exchange (the “Exchange”) during the year ended September 30, 2024, was \$0.39.

### 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 Rohlfiing <i>CEO, Executive Chair and a Director</i>	Nil
Valorie Farley <i>CFO</i>	Nil
Donald Mosher <i>President and a Director</i>	Nil

Note:

(1) All options granted to the NEOs vested immediately. 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.

**Stock Option Plan Overview – Narrative Discussion**

As at September 30, 2024, 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 and special general meeting held on May 30, 2024. 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, 2024 8,270,000 options outstanding under the Plan.

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.

#### **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	40,805 <sup>(2)</sup>	N/A	71,557	N/A	Nil	Nil	112,362
Jenaya Rohlfing	Nil	N/A	71,557	N/A	Nil	Nil	71,557
Kelli Ward	Nil	N/A	71,557	N/A	Nil	Nil	71,557
Weldon Stout	Nil	N/A	71,557	N/A	Nil	Nil	71,557
Michael O’Shea <sup>(3)</sup>	24,000	N/A	71,557	N/A	Nil	Nil	95,557

Note:

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

2024

Risk-free interest rate: 3.83%  
 Expected dividend yield: Nil  
 Expected volatility: 99.22%  
 Expected life of option: 3 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.

## 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	400,000	0.36	June 28, 2027	Nil
	50,000	2.50	Jan. 17, 2027	Nil
Jenaya Rohlfing	400,000	0.36	June 28, 2027	Nil
	50,000	2.50	Jan. 17, 2027	Nil
Kelli Ward	400,000	0.36	June 28, 2027	Nil
	50,000	2.50	Jan. 17, 2027	Nil
Weldon Stout	400,000	0.36	June 28, 2027	Nil
	100,000	2.50	Jan. 17, 2027	Nil
	200,000	2.35	Oct. 21, 2027	Nil
Michael O'Shea	400,000	0.36	June 28, 2027	Nil
	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, 2024 over the exercise price of the options. The market price for the Company's Shares on September 29, 2024, being the last closing price of the Company's Shares on the Exchange during the year ended September 30, 2024, was \$0.39.

#### 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**

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

Note:

(1) All option granted to directors vested immediately. 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.

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