

**SABLE RESOURCES LTD.
MANAGEMENT INFORMATION CIRCULAR**

SOLICITATION OF PROXIES

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by management of Sable Resources Ltd. (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company (the “**Meeting**”) referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) to be held on August 17, 2022, at the time and place and for the purposes set forth in the Notice. **The solicitation is made by the management of the Company and will be made primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company. The information contained herein is given as of July 18, 2022, unless indicated otherwise.**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Company, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized. Proxies must be delivered to TSX Trust Company before 9:00 a.m. (Vancouver time) on Monday, August 15, 2022.**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof at which the proxy is to be used, by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid;
2. by depositing an instrument in writing revoking the proxy executed by him or her with TSX Trust Company at its offices located at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 at any time up to and including 9:00 a.m. (Vancouver time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
3. in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy **will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for** and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, **the shares will be voted or withheld from voting in accordance with the specifications so made. Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Company (“**Common Shares**”) of record at the close of business on July 12, 2022 (the “**record date**”) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of July 18, 2022, the Company had 280,564,898 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “SAE”.

To the knowledge of the directors and executive officers of the Company as of July 12, 2022, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the outstanding Common Shares.

NON-REGISTERED HOLDERS AND DELIVERY MATTERS

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting.

These securityholder materials are being sent to both registered 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 (“**Intermediary**”) holding on your behalf.

If you have received the Company’s form of proxy, you may return it to TSX Trust Company as follows:

By Mail or Hand Delivery:	TSX Trust Company Suite 301 100 Adelaide Street West Toronto, Ontario M5H 4H1
By Fax:	416-595-9593
By Internet:	www.voteproxyonline.com You will need to provide your 12 digit control number (located on the form of proxy accompanying this Circular)

Objecting Beneficial Owners (“**OBOs**”) and other beneficial holders receive a Voting Instruction Form (“**VIF**”) from an Intermediary by way of instruction of their financial institution. Detailed instructions of how to submit your vote will be on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or VIF is to be delivered.

The Company is not using the “notice-and-access” provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) in connection with the delivery of the meeting materials in respect of the Meeting. The Company is not sending such meeting materials directly to “non-objecting beneficial owners” in accordance with NI 54-101, and intends to pay for intermediaries to deliver such meeting materials to “objecting beneficial owners” as defined in NI 54-101.

COMPENSATION OF EXECUTIVE OFFICERS

The following table provides a summary of compensation for services rendered in all capacities to the Company for the fiscal years ended December 31, 2021 and 2020 in respect of the individuals who served as (i) the Chief Executive Officer (“**CEO**”) and Chief Financial Officer (“**CFO**”) of the Company during the

fiscal year ended December 31, 2021 (the “**Named Executive Officers**”); and (ii) the directors of the Company for the fiscal year ended December 31, 2021. For the fiscal year ended December 31, 2021, the Named Executive Officers included Ruben Padilla, CEO, Kelso Cartwright, CFO and Luis Arteaga, Vice President, Exploration. The Company had no other executive officers whose total compensation during the fiscal year ended December 31, 2021 exceeded \$150,000. See also “Stock Options and Other Compensation Securities” below.

Table of Compensation Excluding Compensation Securities

Name and Position	Fiscal Year	Salary, Consulting Fee, Retainer or Commission	Bonus	Director Retainer, Committee or Meeting Fees	Value of Perquisites	Value of All Other Compensation⁽¹⁾	Total Compensation
Ruben Padilla ⁽²⁾ <i>Director, President and CEO</i>	2021	\$220,000	\$132,000	Nil	Nil	\$58,000	\$410,000
	2020	\$181,500	\$144,000	Nil	Nil	\$84,840	\$410,340
Tom Obradovich ⁽³⁾ <i>Director and former President and CEO</i>	2021	Nil	Nil	\$50,000	Nil	\$38,280	\$88,280
	2020	\$136,167	Nil	\$37,509	Nil	\$45,790	\$219,466
Kelso Cartwright ⁽⁴⁾ <i>CFO</i>	2021	\$110,833	\$78,000	Nil	Nil	\$41,760	\$230,593
	2020	\$69,000	\$29,400	Nil	Nil	\$40,320	\$151,670
Luis Arteaga ⁽⁵⁾ <i>Vice President, Exploration</i>	2021	\$175,000	\$120,000	Nil	Nil	\$48,400	\$341,400
	2020	\$133,750	\$52,500	Nil	Nil	\$61,320	\$247,570
Brent Gilchrist ⁽⁶⁾ <i>Director</i>	2021	Nil	Nil	\$37,000	Nil	\$35,960	\$72,960
	2020	Nil	Nil	\$9,250	Nil	\$34,020	\$43,270
Terry Harbort ⁽⁷⁾ <i>Director and VP, Corporate Development</i>	2021	\$96,000	Nil	Nil	Nil	\$32,480	\$128,480
	2020	\$109,500	Nil	Nil	Nil	\$28,980	\$138,480
Francisco Quiroz ⁽⁸⁾ <i>Director</i>	2021	Nil	Nil	Nil	Nil	\$46,400	\$46,400
	2020	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Rubenstein ⁽⁹⁾ <i>Director</i>	2021	Nil	Nil	\$30,000	Nil	\$32,480	\$62,480
	2020	Nil	Nil	\$7,500	Nil	\$47,480	\$54,980
Andres Tinajero ⁽¹⁰⁾ <i>Director</i>	2021	Nil	Nil	\$40,000	Nil	\$35,960	\$75,960
	2020	Nil	Nil	\$10,000	Nil	\$34,020	\$44,020

Notes:

- The “grant date fair value” has been determined by using the Black-Scholes model. The Company has calculated the “grant date fair value” amounts for option values 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 on the date the option was granted and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. The grant date fair value of the Options granted in fiscal 2021 was \$0.116 and for the options granted in 2020, \$0.037 for the options granted March 11, \$0.042 for the options granted May 13, and \$0.126 for the options granted October 1. Calculating the value of options using this methodology is very different from a simple “in-the-money” value calculation. In fact, options that are out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.
- Ruben Padilla was appointed President and CEO on February 27, 2020 and as a Director on March 11, 2020. The compensation included for fiscal year 2020 represents compensation paid to Dr. Padilla for the position of Vice President, Exploration for the period January 1st through March 11th, 2020 and as CEO for the balance of the year. Included in Other Compensation for 2021 and 2020 is \$58,000 and \$84,840 relating to the value of 500,000 and 1,140,000 options granted in each of 2021 and 2020, respectively calculated as per (1) above.
- Tom Obradovich was appointed Non-Executive Chair on February 27, 2020. The compensation included for the 2020 fiscal year represents compensation paid to Mr. Obradovich for the position of President and CEO, a position he held until February 27, 2020. Included in Other Compensation for 2021 and 2020 is \$38,280 and \$45,790 relating to the value of 330,000 and 540,000 options granted in 2021 and 2020, respectively, each calculated as per (1) above.
- Kelso Cartwright was appointed CFO on June 19, 2020. The compensation included for the fiscal years 2021 and 2020 represent compensation paid to Mr. Cartwright for the position of CFO since his appointment on June 19, 2020 and as Controller for the first six months of 2020. Included in Other Compensation for 2021 and 2020 is \$41,760 and \$40,320 relating to the value of 360,000 and 670,000 options granted in 2021 and 2020, respectively, each calculated as per (1) above.
- Luis Arteaga was appointed Vice President, Exploration April 1, 2020. The compensation included for 2020 represents compensation paid to Mr. Arteaga since his appointment on April 1, 2020 and as a consultant prior to his appointment for the first

four months of 2020. Included in Other Compensation for 2021 and 2020 is \$46,400 and \$61,320 relating to the value of 400,000 and 820,000 options granted in 2021 and 2020, respectively, each calculated as per (1) above.

6. Included in Mr. Gilchrist's Other Compensation for 2021 and 2020 is \$35,960 and \$34,020 relating to the value of 310,000 and 270,000 options granted in 2021 and 2020, each calculated as per (1) above.
7. Included in Mr. Harbort's Other Compensation for 2021 and 2020 is \$32,480 and \$28,980 relating to the value of 280,000 and 230,000 options granted in each of 2021 and 2020, each calculated as per (1) above.
8. Francisco Quiroz was appointed as a director on July 15, 2021. Included in Other Compensation for 2021 is \$46,400 relating to the value of 400,000 options granted in 2021 calculated as per (1) above.
9. Jonathan Rubenstein was appointed as a director on January 15, 2020. Included in Other Compensation for 2021 and 2020 is \$32,480 and \$47,480 relating to the value of 280,000 and 830,000 options granted in 2021 and 2020, each calculated as per (1) above.
10. Included in Mr. Tinajero's Other Compensation for 2021 and 2020 is \$35,960 and \$34,020 relating to the value of 310,000 and 270,000 options granted in 2021 and 2020, each calculated as per (1) above.

Stock Options and Other Compensation Securities

Set forth in the table below is a summary of all compensation securities granted or issued to each Named Executive Officer and directors of the Company during the fiscal year ended December 31, 2021.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Ruben Padilla ⁽¹⁾ <i>Director, President and CEO</i>	Stock options	500,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Tom Obradovich ⁽²⁾ <i>Director</i>	Stock options	330,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Kelso Cartwright ⁽³⁾ <i>CFO</i>	Stock options	360,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Luis Arteaga ⁽⁴⁾ <i>Vice President, Exploration</i>	Stock options	400,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Brent Gilchrist ⁽⁵⁾ <i>Director</i>	Stock options	310,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Terry Harbort ⁽⁶⁾ <i>Director and VP, Corporate Development</i>	Stock options	280,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Francisco Quiroz ⁽⁷⁾ <i>Director</i>	Stock options	400,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Jonathan Rubenstein ⁽⁸⁾ <i>Director</i>	Stock options	280,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26
Andres Tinajero ⁽⁹⁾ <i>Director</i>	Stock options	310,000	Oct14-21	\$0.25	\$0.225	\$0.20	Oct14-26

Notes:

1. As of December 31, 2021, Mr. Padilla held an aggregate of 2,740,000 stock options.
2. As of December 31, 2021, Mr. Obradovich held an aggregate of 2,820,000 stock options.
3. As of December 31, 2021, Mr. Cartwright held an aggregate of 1,180,000 stock options.
4. As of December 31, 2021, Mr. Arteaga held 1,770,000 stock options.
5. As of December 31, 2021, Mr. Gilchrist held an aggregate of 1,480,000 stock options.
6. As of December 31, 2021, Mr. Harbort held an aggregate of 2,010,000 stock options.
7. As of December 31, 2021, Mr. Quiroz held an aggregate of 400,000 stock options.
8. As of December 31, 2021, Mr. Rubenstein held an aggregate of 1,010,000 stock options.
9. As of December 31, 2021, Mr. Tinajero held an aggregate of 1,580,000 stock options.

Exercise of Compensation Securities by Directors and Named Executive Officers

Set forth below is a summary of all compensation securities exercised by Named Executive Officers and directors of the Company during the fiscal year ended December 31, 2021.

Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security	Date of Exercise	Closing Price per Security on Date of Exercise	Difference between Exercise Price and Closing Price on Date of Exercise	Total Value on Exercise Date
Ruben Padilla <i>Director, President and CEO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tom Obradovich <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kelso Cartwright <i>CFO</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brent Gilchrist <i>Director</i>	Stock Option	400,000	\$0.10	Oct18-21	\$0.205	\$0.105	\$42,000
Terry Harbort <i>Director and VP, Corporate Development</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Francisco Quiroz <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jonathan Rubenstein <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andres Tinajero <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

For further details on the current stock option plan of the Company (the “**Stock Option Plan**”), please refer to “Summary of Stock Option Plan” below.

Named Executive Officer Employment and Consulting Agreements

Ruben Padilla

Ruben Padilla, the Company’s CEO and former Vice President, Exploration, is paid an annual base salary of \$229,680 in accordance with an Employment Agreement entered into between the Company and Mr. Padilla effective March 31, 2020 and amended January 1, 2021 and January 17, 2022. Mr. Padilla’s Employment Agreement includes a non-competition clause and provides for a termination payout equal to half the sum of the annual base salary and all earned and unpaid performance bonuses paid to Mr. Padilla in the year immediately preceding termination and in the event of a change of control, a termination payout equal to two times the sum of the annual base salary and all performance bonuses paid to Mr. Padilla in the complete fiscal year prior to the change of control.

Kelso Cartwright

Kelso Cartwright, the Company’s CFO, is paid annual fees of \$130,000 in accordance with a Consulting Agreement entered into between the Company and Mr. Cartwright effective June 17, 2020 and amended June 1, 2021. Mr. Cartwright’s Consulting Agreement provides for a termination payout equal to half the sum of the monthly fees paid and unpaid performance bonuses paid to Mr. Cartwright in the year immediately preceding termination and in the event of a change of control, a termination payout equal to the sum of all monthly fees and all performance bonuses paid to Mr. Cartwright in the complete fiscal year prior to the change of control.

Luis Arteaga

Luis Arteaga, the Company's Vice President Exploration, is paid an annual base salary of \$200,000 in accordance with an Employment Agreement entered into between the Company and Mr. Arteaga effective April 1, 2020 and amended June 15, 2021. Mr. Arteaga's Employment Agreement includes a non-competition clause and provides for a termination payout equal to half the sum of the annual base salary and all earned and unpaid performance bonuses paid to Mr. Arteaga in the year immediately preceding termination and in the event of a change of control, a termination payout equal to the sum of the annual base salary and all performance bonuses paid to Mr. Arteaga in the complete fiscal year prior to the change of control.

Other than outlined above, the Company has no other arrangements that provide for payments to its Named Executive Officers.

COMPENSATION DISCUSSION AND ANALYSIS

The Company's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

The Company's compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Company, compensation of the Named Executive Officers currently emphasizes option awards with a reduced reliance on base salaries and bonuses. This policy may be re-evaluated in the future depending upon the future development of the Company and other factors which may be considered relevant by the board of directors (the "**Board**") from time to time.

The Company's Compensation and Nominating Committee (the "**CGN Committee**") establishes and reviews the Company's overall compensation philosophy and its general compensation policies with respect to executive officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The Compensation and Nominating Committee evaluates each officer's performance in light these goals and objectives and, based on its evaluation, determines and makes recommendations to the Board with respect to the salary, bonus, options and other benefits for such officers. In determining compensation matters, the CGN Committee and the Board may consider a number of factors, including the Company's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The current overall objective of the Company's compensation strategy is to reward management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Company has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the Board level with respect to the above-noted considerations and any other matters which the Board may consider relevant on a going-forward basis, including the cash position of the Company.

Any existing options held by the Named Executive Officers at the time of subsequent option grants are taken into consideration in determining the quantum or terms of any such subsequent option grants. Options have been granted to directors, management, employees and certain service providers as long-term incentives to align the individual's interests with those of the Company. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Company's success. See "Summary of Stock Option Plan" below.

COMPENSATION OF DIRECTORS

The Board is responsible for reviewing the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director. The Board has established a cash compensation program for its non-executive directors with respect to general directors' duties, meeting attendance or for additional service on sub-committees of the Board. Effective October 1, 2020, at the recommendation of the CGN Committee, each director of the Company that is not also an executive officer is paid \$30,000 per year in quarterly installments, with the Chair of the Audit Committee receiving an additional \$10,000 per year and the Chair of the other sub-committees of the Board receiving an additional \$7,000 per year.

In addition to cash compensation, Directors are eligible to participate in the Company's Stock Option Plan. As of December 31, 2021, the Company had an aggregate of 19,250,000 outstanding options, of which 7,290,000 were issued to directors. See "Summary of Stock Option Plan".

Directors may also be compensated for services provided to the Company as consultants or experts on the same basis and at the same rate as would be payable if such services were provided by a third party, arm's length service provider. No such services were provided to the Company by any of its directors during fiscal 2021.

AUDIT COMMITTEE

Multilateral Instrument 52-110 – *Audit Committees* ("**MI 52-110**") requires the Company to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The Company's audit committee is comprised of Messrs. Tinajero, Harbort and Rubenstein. Each member of the audit committee is considered to be "independent", as defined in NI 52-110, other than Mr. Harbort who is not considered independent by virtue of his role as an executive officer of the Company. Each member of the audit committee is also considered to be "financially literate" which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Company.

Relevant Education and Experience

Andres Tinajero (Chair)

Mr. Tinajero has over 20 years of business experience, having supported a broad range of industries, including mining, manufacturing and technology. During the same period, he has served as CFO and Vice President of Finance of several medium sized public companies across Canada. He holds a degree in Business Administration and an MBA, and also is a member of the Chartered Professional Accountants Canada, the Certified Practicing Accountants of Australia and he is a Certified member of the Institute of Corporate Directors.

Terry Harbort

Dr. Harbort is a professional economic geologist with 25 years of multi-continent experience in mineral exploration. In 2010, Dr. Harbort co-founded and is the current Vice President, Exploration of Talisker Exploration Services Inc., a private exploration management company providing international exploration consulting in M & A, exploration strategy, project evaluation, target generation and exploration program design. Mr. Harbort is the President and CEO of Talisker Resources Ltd., a TSX listed company.

Jonathan Rubenstein

Mr. Rubenstein has over 40 years experience in the mining industry having served on numerous junior and senior company boards and through active engagement in the strategic, commercial, governance and government aspects affecting acquisitions, financings, exploration, permitting and development of several world class mining projects. In addition to being directly involved with asset acquisitions, joint venture agreements, and other deals involving governments, regulators, banks, contract negotiation, litigation and arbitration, and regulatory compliance management, he has also played key roles on special committees during M&A transactions that have totaled several billions of dollars in value. He is a current director of GR Silver Mining Ltd. Mr. Rubenstein holds a B.A. from Oakland University, Rochester, Michigan, and a LLB from University of British Columbia.

Pre-Approval Policies and Procedures

The audit committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for the fiscal years ended December 31, 2021 and 2020:

Type of Work	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2020
Audit fees ⁽¹⁾	\$90,000	\$85,000
Audit-related fees ⁽²⁾	Nil	\$17,000
Tax advisory fees ⁽³⁾	\$54,356	\$14,445
All other fees	Nil	Nil
Total	\$144,356	\$116,445

Notes:

1. Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.
2. Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
3. Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at December 31, 2021. See also "Summary of Stock Option Plan".

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	19,250,000	\$0.20	8,459,823
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	19,250,000	\$0.20	8,459,823

SUMMARY OF STOCK OPTION PLAN

The Company adopted the Stock Option Plan to provide for stock option grants to its service providers from time to time. Up to such number of Common Shares as is equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time may be reserved for issue upon the exercise of options granted pursuant to the Stock Option Plan.

The Stock Option Plan was most recently confirmed by shareholders on July 15, 2021, in accordance with the then current policies of the TSXV under Policy 4.4 – *Incentive Stock Options*, which were in force prior to the amendments announced in November 2021 (the former Policy 4.4 – *Incentive Stock Options*, effective as at May 8, 2013, is referred to hereunder as the “**Former Policy**”). In November 2021, the TSXV announced certain amendments to its policies regarding security based compensation which took effect immediately. In accordance with the security based compensation changes, the TSXV amended its Former Policy and renamed its Policy 4.4 – *Security Based Compensation* (the new Policy 4.4 – *Security Based Compensation*, effective as at November 24, 2021, is referred to hereunder as the “**New Policy**”).

The Stock Option Plan

The Stock Option Plan, the terms of which adhered to the Former Policy, is described below in this section.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth.

The options are non-assignable and may be granted for a term not exceeding five years. Options may be granted under the Stock Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The total number of Common Shares which may be reserved for issuance to any one individual under the Stock Option Plan within any one-year period shall not exceed 5% of the outstanding issue. The maximum number of Common Shares which may be reserved for issuance to insiders under the Stock Option Plan, any other employer stock option plans or options for services, shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of options which may be granted to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one-year period shall be 10% of the outstanding issue.

The maximum number of stock options which may be granted to any one consultant under the Stock Option Plan, any other employer stock options plans or options for services, within any 12-month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to any persons performing investor relations services under the Stock Option Plan, any other employer stock options plans or options for services, within any 12-month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The exercise price of options issued may not be less than the “market price” (as defined in the Stock Option Plan) of the Common Shares at the time the option is granted, less any allowable discounts in accordance with the policies of the TSXV.

Amended and Restated Stock Option Plan

To reflect recent amendments to the Former Policy which culminated in the New Policy, the Board is recommending that the Stock Option Plan, which is a rolling 10% plan under the New Policy, be amended and restated in its entirety (the “**Amended Plan**”) to ensure that it complies with current requirements of the TSXV under the New Policy and to provide for new features that are permitted under the New Policy. Subject to final approval of the TSXV, the Company wishes to amend the Stock Option Plan by adopting the Amended Plan. The material terms of the proposed amendments to the Stock Option Plan, as reflected in the Amended Plan, are summarized below. The Amended Plan may not represent the maximum extent to which the New Policy changes may apply.

- Addition of Net Exercise Feature: Under the Amended Plan, subject to the policies of the TSXV and provisions of the Amended Plan, the board will have the discretion to grant optionees a right to exercise their stock options on a “net exercise” (“**Net Exercise**”) basis, whereby the optionee does not make any cash payment to the Company for the exercise of their options and receives on exercise a number of shares equal to the in-the-money value of the Common Shares underlying the options (by reference to the volume weighted average trading price of those shares for the five trading days before exercise). The Net Exercise procedure may not be utilized by persons performing investor relations services.

Under the Former Policy, the foregoing Net Exercise feature attaching to the stock options was not permitted, and the exercise price of a stock option was required to be paid in cash.

- Clarification of Limits with respect to Insiders and the Requirement of Disinterested Shareholder Approval:

The language in Section 4(a) of the Amended Plan was updated to conform with the language in Section 4.11(b) of the New Policy. Specifically, the maximum aggregate number of shares issuable to insiders as a group pursuant to all security based compensation shall be 10% of the shares issued and outstanding *at any point in time, unless the Company has obtained the requisite disinterested shareholder approval in accordance with the policies of the TSXV*, rather than at the time of the grant as is stated in the Stock Option Plan.

The language in Section 4(b) of the Amended Plan was also updated to conform with the language in Section 4.11(c) of the New Policy. Specifically, the maximum aggregate number of shares which may be granted to insiders as a group pursuant to all security based compensation within any 12 month period shall be 10% of the outstanding issue, *calculated as at the date any security based compensation is granted or issued to any insider, unless the Company has obtained the requisite disinterested shareholder approval in accordance with the policies of the TSXV*. The italicized language is not reflected in the Stock Option Plan.

In addition, Sections 7 and 13 of the Amended Plan were updated to reflect that any extension of the term of a previously granted option would also be subject to disinterested shareholder approval. This is not reflected in the Stock Option Plan.

- Decrease in the Minimum Exercise Price: Subject to the policies of the TSXV and provisions of the Amended Plan, the minimum exercise price in respect of the stock options under the Amended Plan is \$0.05, not \$0.10 as stated in the Stock Option Plan.

Except for the proposed amendments summarized above, the Amended Plan is substantially similar to the Stock Option Plan other than certain changes that are of a housekeeping nature that do not require shareholder notice or approval. The summary is subject to, and qualified in its entirety by, the full text of the proposed Amended Plan set out in Schedule “B” attached hereto.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to pass an ordinary resolution in the form set forth in the section entitled “Particulars of Matters to be Acted Upon – Approval of the Amended Plan”.

SUMMARY OF RESTRICTED SHARE UNIT PLAN

Shareholders approved a restricted share unit plan (the “**RSU Plan**”) on July 15, 2021. The purpose of the RSU Plan is to advance the interests of the Company and its subsidiaries by: (i) assisting the Company and its subsidiaries in attracting and retaining individuals with experience and ability; (ii) allowing certain directors, officers, employees and consultants of the Company and its subsidiaries to participate in the long term success of the Company; and (iii) promoting a greater alignment of interests between the employees designated under the RSU Plan (“**RSUP Participants**”) and the shareholders.

The following is a summary of the principal terms of the RSU Plan, which is qualified in its entirety by reference to the full text of the RSU Plan:

- The maximum number of Common Shares made available for issuance from treasury under the RSU Plan, subject to certain adjustments described in the RSU Plan, shall not exceed 5,000,000 Common Shares (representing approximately 2% of the total issued and outstanding Common Shares as of the Record Date on an undiluted basis). The number of Common Shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company and its subsidiaries shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding.
- RSUP Participants are designated by the Board, or the CGN Committee if authorized by the Board, to oversee the RSU Plan, at the sole discretion and upon recommendation from the President and/or Chief Executive Officer. Persons providing investor relations activities are not eligible to participate in the RSU Plan. Restricted share units (“**RSUs**”) are granted to RSUP Participants at the discretion of the Board (or the CGN Committee, as applicable).
- The grant of RSUs under the RSU Plan is subject to a number of restrictions including but not limited to:
 - the aggregate number of Common Shares which may be reserved for issuance to "insiders" (as defined in the *Securities Act* (British Columbia)) under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries shall not, in the aggregate, exceed 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis; and
 - during any one-year period, the Company shall not issue to "insiders" (as defined in the *Securities Act* (British Columbia)), under the RSU Plan and all other security-based compensation arrangements of the Company and its subsidiaries, in the aggregate, a number of Common Shares exceeding 10% of the issued and outstanding Common Shares, calculated on a non-diluted basis.
- Whenever cash or other dividends are paid on Common Shares, additional RSUs will be automatically granted to each RSUP Participant who holds RSUs on the Record Date for such dividends. The number of such RSUs (rounded to the nearest whole RSU) to be credited to such RSUP Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such RSUP Participant if his or her RSUs as of the Record Date for the dividend had been Common Shares, is divided by (ii) the Market Value (as defined in the RSU Plan) of the Common Shares as of the date on which the dividend is paid on the Common Shares. RSUs granted to a RSUP Participant by reason of cash or other dividends paid on Common Shares are subject to the same vesting conditions (time and performance, as applicable) as the RSUs to which they relate.
- Vesting and settlement provisions under the RSU Plan are as follows:
 - Subject to the discretion of the Board (or the CGN Committee, as applicable), RSUs will vest in their entirety over three years (one-third on each of the first, second and third anniversary of the date an RSU is awarded);
 - The RSUs may vest according to time and/or performance vesting conditions. The RSUs that are subject to the time vesting condition shall be deemed to have been 100% satisfied if the RSUP Participant is employed (or engaged for services or appointed to the Board, as applicable) by the Company and/or a subsidiary on the date specified in the Participation Agreement (as defined in the RSU Plan). The RSUs that are subject to the performance vesting condition(s) (as applicable) shall also vest on the date specified in the Participation Agreement, provided that such number of vested RSUs shall be multiplied by the performance percentage determined by the Board (or the CGN Committee, as applicable), all in accordance with the Participation Agreement;
 - Upon a Change of Control (as defined in the RSU Plan), all outstanding RSUs shall vest, irrespective of any performance vesting conditions; and

- Following the vesting date, the RSUP Participant (or his or her successor), provided that he or she still qualifies as a RSUP Participant on such date, shall be entitled to settle the vested RSUs by selecting to receive (subject to the Board's (or the CGN Committee's) discretion to select the form) a payout with respect to the vested RSUs in the form of (i) Common Shares issued from treasury; (ii) a lump sum payment in cash; or (iii) any combination of the foregoing.
- RSUs will be adjusted to reflect changes affecting the Common Shares as a result of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off or other distribution (other than normal cash dividends) of the Company's assets to Shareholders or any other change affecting the Common Shares.
- If a RSUP Participant ceases to be an employee or a consultant of the Company as a result of termination for cause, or as a result of a voluntary resignation, all of the RSUP Participant's outstanding RSUs, vested or unvested, will be terminated.
- If a RSUP Participant ceases to be an employee, a director or a consultant of the Company or a subsidiary as a result of death, termination not for cause, termination of services, retirement or Long-Term Disability (as defined in the RSU Plan), the time vesting component of RSUs will be subject to the following considerations:
 - In the event the RSUP Participant is not entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the date of grant of such RSUs until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such RSU grant; and
 - In the event the RSUP Participant is entitled to a Benefits Extension Period (as defined in the RSU Plan), then the time vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days in the original vesting schedule in relation to such grant.
- If a RSUP Participant ceases to be an employee of the Company or a subsidiary as a result of death, termination not for cause, retirement or Long-Term Disability, the performance vesting component of RSUs will be subject to the following considerations:
 - In the event the RSUP Participant is not entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the number of days actually worked from the date of grant until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, over the number of days in the original vesting schedule in relation to such grant; the number of vested RSUs resulting from such *pro-rated* calculation will be multiplied by the performance percentage determined by the Board (or the CGN Committee, as applicable); and
 - In the event the RSUP Participant is entitled to a Benefits Extension Period, then the performance vesting component of each RSU grant will be *pro-rated* based on the sum of (i) the number of days actually worked from the date of grant up until the date of death, termination not for cause, termination of services, retirement or Long-Term Disability, and (ii) the number of days included in the Benefits Extension Period, over the number of days of the original vesting schedule set forth in relation to such grant.
- A voluntary resignation will be considered as retirement if the RSUP Participant is an employee or consultant and has reached normal retirement age under the Company's benefit plans or policies, and if the RSUP Participant is a director and has resigned from the Board or did not stand for re-election as a director, unless the Board (or the CGN Committee, as applicable) decides otherwise at its sole discretion.

- Except as otherwise expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no right or interest of an RSUP Participant is assignable or transferable.
- The Board (or the CGN Committee, as applicable) may from time to time amend, suspend or terminate the RSU Plan in whole or in part or amend the terms of RSUs credited in accordance with the RSU Plan. If any such amendment, suspension or termination will materially or adversely affect the rights of a RSUP Participant with respect to RSUs credited to such RSUP Participant, the written consent of such RSUP Participant to such amendment, suspension or termination shall be obtained. However, a RSUP Participant's written consent to an amendment, suspension or termination materially or adversely affecting his or her rights with respect to any credited RSUs will not be required if such amendment, suspension or termination is required in order to comply with applicable laws, regulations, rules, orders of government or regulatory authorities or the requirements of any stock exchange on which shares of the Company are listed.
- If the Board (or the CGN Committee, as applicable) terminates the RSU Plan, RSUs previously credited to RSUP Participants will remain outstanding and in effect and be settled in due course in accordance with the terms of the RSU Plan.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practice* (“**NI 58-101**”) requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company’s approach to corporate governance in relation to the Guidelines.

The Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgement. The Board is currently comprised of seven members, five of whom are considered “independent directors” within the meaning of NI 58-101.

As at July 18, 2022, Messrs. Padilla and Harbort, who also serve as executive officers of the Company, and Mr. Obradovich, who has served as an executive officer of the Company within the last three years, are not considered independent directors. Messrs. Gilchrist, Quiroz, Rubenstein and Tinajero are each considered independent directors since they are independent of management and free from any material relationship with the Company. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2021, none of Messrs. Gilchrist, Quiroz, Rubenstein nor Tinajero has worked for the Company, received material remuneration from the Company or had material contracts with or material interests in the Company which could interfere with his ability to act with a view to the best interests of the Company. The Board believes that it functions independently of management.

During the year ended December 31, 2021, the Board held three Board meetings and with the exception of Francisco Quiroz being absent from one meeting, all members of the Board were in attendance at each meeting. The members of the Audit Committee and the CGN Committee each held four meetings, respectively with all members of each committee present at each meeting. For the fiscal year ended December 31, 2021, in-camera meetings of the independent directors were held after the majority of Board meetings and after each Audit Committee meeting.

Directorships

The table below sets out the Company's directors that currently also serve as directors of other reporting issuers (or equivalent).

Director	Other Reporting Issuer(s)
Brent Gilchrist	Talisker Resources Ltd.
Terence Harbort	Millennial Precious Metals Corp., Talisker Resources Ltd. and its wholly-owned subsidiary, Carolin Gold Corp., TDG Gold Corp.
Tom Obradovich	Conquest Resources Ltd., Sanatana Resources Inc.
Ruben Padilla	Minera Alamos Inc., Millennial Precious Metals Corp.
Francisco Quiroz	None
Jonathan Rubenstein	GR Silver Mining Ltd.
Andres Tinajero	Caprock Mining Corp., Millennial Precious Metals Corp., New Carolin Gold Corp.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent financial statements, proxy solicitation materials, technical reports and various other operating, property and budget reports as well as governance policies) is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business

Given the small size of the Board and stage of development of the Company, the Board has determined that the fiduciary obligations placed on directors pursuant to applicable corporate laws are effective in ensuring ethical business conduct on the part of its directors.

Nomination of Directors

The Company formed a CGN Committee consisting of Messrs. Gilchrist, Quiroz and Tinajero who are all independent directors. The CGN Committee is responsible for identifying individuals qualified to become new directors and recommending to the Board new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives, and a willingness to serve.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of mineral exploration and development or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The CGN Committee is responsible for reviewing the compensation paid for executive officers of companies of similar business, size and stage of development and determining an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. See also "Compensation Discussion and Analysis".

The CGN Committee also reviews the adequacy and form of compensation of the Company's directors, with a view to ensuring it realistically reflects the responsibilities and risks involved in being a director of the Company.

Assessments

The CGN Committee monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Other Board Committees

In addition to the Audit Committee and the CGN Committee described above, in late 2021, the Company formed a Safety and Environment, Social and Governance Committee (the “**Safety and ESG Committee**”). The Safety and ESG Committee members include Mr. Gilchrist, who is an independent director, and Messrs. Obradovich (Chair) and Padilla, the Company’s CEO.

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

Except as otherwise disclosed in this Information Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company (“**Nominee**”), none of the persons who have been directors or executive officers of the Company since the commencement of the Company’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter of business to be acted upon at the Meeting, other than the consideration and approval of the Amended Plan for the Company in connection with which the directors and executive officers of the Company may continue to hold stock options and/or may be entitled to receive stock option grants in the future, all in accordance with the terms thereof. See “Particulars of Matters to be Acted Upon – Approval of Amended Plan”.

CEASE TRADE ORDERS OR BANKRUPTCIES

No director or officer of the Company:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company that,
 - a. while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an “**Order**”), for a period of more than 30 consecutive days; or
 - b. was subject to an Order that was issued, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as director or executive officer of that company;
2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
3. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
4. has been subject to:
 - a. any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

- b. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS TO THE COMPANY

No individual who is, or at any time during the most recently completed financial year of the Company was, a director, executive officer, employee or former director, executive officer or employee of the Company, a Nominee, or any of their associates, is indebted to the Company or any subsidiary of the Company as of July 18, 2022 or was so indebted at any time during the last completed fiscal year of the Company, nor have any such individuals been or are they currently indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any subsidiary of the Company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains liability insurance for the directors and officers of the Company. The Company's policy of insurance is currently in effect until March 2, 2023. An annual premium of \$32,585 has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy for both directors and officers is limited to \$10,000,000 with a \$50,000 deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, shareholder beneficially owning or exercising control or direction over (directly or indirectly) more than 10% of the Common Shares, or Nominee, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The shareholders will receive and consider the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2021 together with the auditor's report thereon.

2. Election of Directors

The Board currently consists of seven directors. At the Meeting, shareholders will be invited to elect seven directors. Each director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's by-laws. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for each of the proposed Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares be otherwise voted or withheld from voting in respect of the election of any such Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly):

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Common Shares Held or Controlled⁽¹⁾
Tom Obradovich Ontario, Canada	Chair	Former President and CEO, Sable Resources Ltd. (2016 to February 2020); Director, Sanatana Resources Inc. since April 2021, Conquest Resources Ltd. since October 2020; former Director, Talisker Resources Ltd. (April 2019 to November 2020), Barkerville Gold Mines Ltd. (April 2015 to November 2019) and Dalradian Resources Inc. (May 2011 to September 2018).	2016	4,812,667
Brent Gilchrist ⁽³⁾ British Columbia, Canada	Director	Mr. Gilchrist is an accomplished finance executive with extensive experience in private and public investments. He is the President of JDS Resources Inc., the JDS Group of Companies' venture capital and private equity arm responsible for investment management, acquisitions, and project financing for JDS Group of Companies opportunities. Mr. Gilchrist was the President and Co-founder of JDS Silver Inc., the owner, developer and operator of the Silvertip Mine located in Northern British Columbia. Brent managed the sale transaction of JDS Silver to Coeur Mining in November 2017. Mr. Gilchrist has been a director of Talisker Resources Ltd. since April 2019.	2016	6,374,000
Terence Harbort ⁽²⁾ Ontario, Canada	Director and VP, Corporate Development	Vice President, Corporate Development of the Company since March 2017; President and CEO, Talisker Resources Ltd. since April 2019; Co-Founder and Vice President, Exploration, Talisker Exploration Services Inc., a private exploration consulting company since December 2010; Director, TDG Gold Corp. since December 2020 and Millennial Precious Metals Corp. since April 2021; former Chief Geoscientist, Barkerville Gold Mines Ltd. (September 2015 to November 2019); and former Director, IDM Mining Ltd. (October 2017 to March 2019).	2017	5,482,167
Ruben Padilla Arizona, USA	Director, President and CEO	President and CEO of the Company since February 2020; former Vice President, Exploration of the Company from July 2017 to February 2020); Chief Geologist, Talisker Exploration Services Inc., a private exploration consulting company since January 2010; Director, Director, Minera Alamos Inc. since June 2017 and Millennial Precious Metals Corp. since April 2021; former Director, Unigold Inc. (September 2015 to October 2020) and; former Vice President, Exploration, Talisker Resources Ltd. (April 2019 to February 2020).	2020	4,371,667
Francisco Quiroz Sonora, Mexico	Director	Mr. Quiroz is the current President of Sapuchi Minera (since September 2020), a subsidiary of Osisko Development Corp. He has extensive experience in mineral exploration and the mining industry gained through senior positions at BHP Billiton	2021	Nil

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Common Shares Held or Controlled ⁽¹⁾
		Ltd., Fresnillo Plc, Hochschild Mining Plc among other major and junior companies.		
Jonathan Rubenstein ⁽²⁾⁽³⁾ Vancouver, Canada	Director	Director, and GR Silver Mining Ltd. since September 2020; former Chair, MAG Silver Corp. (February 2007 to June 2020); former Director, Roxgold Inc. (2012 to 2021), New Oropuru Resources Inc. (2020 to 2021), Eldorado Gold Corporation (2009 to 2018), Dalradian Resources Inc. (2013 to 2018) and Detour Gold Corporation (2009 to 2018).	2020	50,000
Andres Tinajero ⁽²⁾⁽³⁾ Ontario, Canada	Director	Chief Financial Officer, Talisker Resources Ltd. (formerly Eurocontrol Technics Group Inc.) since August 2012; Director, Millennial Precious Metals Corp. since April 2021 and Caprock Mining Corp. since December 2021; former Director, Nutritional High International Inc. (April 2017 to November 2019); and former CFO, Barkerville Gold Mines Ltd. (July 2015 to November 2019).	2017	1,342,500

Notes:

- (1) The information as to Common Shares beneficially owned (directly or indirectly) or over which the Nominees exercise control or direction not being within the knowledge of the Company has been furnished by the respective Nominees individually.
- (2) Member of the Audit Committee of the Company.
- (3) Member of the CGN Committee of the Company.

The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy in favour of the election of the Nominees set forth in this Information Circular unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of such resolution.

3. Appointment of Auditors

The directors propose to nominate BDO Canada LLP, the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. BDO Canada LLP were first appointed auditors effective December 12, 2017.

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Company were reasonable and, in the circumstances, would be comparable to fees charged by other auditors providing similar services.

In order to appoint BDO Canada LLP as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The management representatives named in the attached form of proxy intend to vote in favour of the appointment of BDO Canada LLP as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.

4. Approval of Amended Plan

The Stock Option Plan, being the Company's current stock option plan, was last approved by shareholders at the annual general meeting of the Company on July 15, 2021. Options may be granted in respect of authorized and unissued Common Shares, provided that the aggregate number of Common Shares reserved for issuance upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time. Underlying Common Shares in respect of which options are not exercised because the relevant options expire or are cancelled, shall be available for issue upon the exercise of subsequent grants of options. An aggregate of 17,350,000 Common Shares (representing approximately 6.2% of the issued and outstanding Common Shares as of July 18, 2022) are currently reserved for issuance pursuant to options granted under the Stock Option Plan and the Company may grant an additional 10,706,489 options under the Stock Option Plan (representing approximately 3.8% of the issued and outstanding Common Shares as of July 18, 2022). See also "Summary of Stock Option Plan" above.

On July 15, 2022, the Board approved the Amended Plan, which includes new provisions which comply with the requirements of the TSXV's New Policy as described and summarized in the section entitled "Summary of Stock Option Plan" and as fully set out in the proposed Amended Plan reproduced in Schedule "B" attached hereto. The Company is seeking shareholder approval for the adoption of the Amended Plan. The TSXV has conditionally approved the Amended Plan subject to shareholder approval at the Meeting. The Amended Plan shall become effective upon the receipt of approval of the shareholders and the final acceptance of the TSXV and replace the existing Stock Option Plan.

Should the Amended Plan be approved, all prior awards outstanding under the Stock Option Plan will remain outstanding and in full force and effect and will be governed by the terms of the Amended Plan. If the Amended Plan is not approved at the Meeting, the Stock Option Plan will remain in place and previously granted awards will be unaffected.

The Amended Plan is a rolling 10% plan and, under both the TSXV's Former Policy and New Policy, a listed company on the TSXV is required to obtain the approval of its shareholders for a rolling 10% plan at each annual meeting of shareholders. Accordingly, at the Meeting, shareholders of the Company will be asked to authorize and approve the following resolution:

"BE IT RESOLVED THAT:

1. The Amended Plan of the Company as described in, and attached as Schedule "B" to, the Management Information Circular dated July 18, 2022, and the reservation for issuance thereunder of up to 10% of the aggregate number of Common Shares of the Company as are issued and outstanding from time to time, is hereby approved, ratified and confirmed; and
2. Any one or more directors or officers of the Company be and are hereby authorized, for and on behalf of the Company, to execute and deliver all other documents and instruments and do all such acts or things, and making all necessary filings with applicable regulatory bodies and stock exchanges, as such directors or officers may determine to be necessary or desirable to carry out the foregoing resolutions."

The Board has concluded that the Amended Plan is in the best interest of the Company and its shareholders. Accordingly, the Board recommends that shareholders vote in favour of the Amended Plan resolution. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote IN FAVOUR OF the approval of the Amended Plan Resolution.**

5. Approval of Shareholder Rights Plan

Rights Plan

At the Meeting, shareholders will be asked to consider, and, if deemed advisable, to approve a resolution, the text of which is set out below, confirming the adoption of the Company's shareholder rights plan (the "**Rights Plan**"). The Rights Plan was adopted by the Company on July 18, 2022. On that same date, the Company also entered into a shareholder rights plan agreement with TSX Trust Company (the "**Rights Plan Agreement**") that governs the Rights Plan. One right to purchase Common Shares (each, a "**Right**") was issued and attached to each Common Share outstanding as of July 18, 2022, and will attach to each Common Share issued prior to the earlier of the Separation Time (as defined below) and the expiration time (the "**Expiration Time**") of the Rights Plan. Notice for filing of the Rights Plan has been accepted by the TSXV and the Rights Plan is subject to ratification by shareholders.

A copy of the full text of the Rights Plan Agreement is attached as Schedule "C" to this Information Circular.

Background and Purpose of the Rights Plan

While the existing legislative framework for take-over bids in Canada addresses many of the concerns related to unequal treatment of shareholders in the event of a take-over bid, there continues to be a role for rights plans in protecting the Company and protecting against unequal treatment of shareholders. For instance, there remains the possibility that control of the Company may be acquired pursuant to private agreements in which a small group of shareholders dispose of shares at a premium to the market price, which premium is not shared by the other shareholders. Also, a person may slowly accumulate Common Shares through stock exchange acquisitions which may result, over time, in the acquisition of control without payment of fair value for control or fairly sharing any control premium among all shareholders. The Rights Plan aims to address such concerns by requiring that bids be made to all shareholders. It also aims to prevent a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for Permitted Lock-Up Agreements (as described below).

The Rights Plan encourages fair treatment of all shareholders by providing shareholders with an equal opportunity to participate in a take-over bid. The Rights Plan encourages a potential acquirer to proceed by way of a Permitted Bid (as defined below), which requires the take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board.

The Rights Plan will not inhibit shareholders from exercising their rights as shareholders under the Company's corporate statute, the *Business Corporations Act* (British Columbia). These rights include the right to solicit proxies to promote a change in the composition of the Board and to requisition a shareholders' meeting to transact any proper business stated in the requisition. In addition, the Rights Plan will not affect the financial condition of the Company nor does the issuance of Rights change the manner in which shareholders currently trade their Common Shares.

The Board has determined that it is advisable for the Company to adopt a shareholder rights plan for the reasons described above and has approved the Rights Plan and entered into the Rights Plan Agreement. The Rights Plan was not adopted in response to any specific proposal to acquire control of the Company, nor is the Board currently aware of any pending or threatened take-over bid for the Company.

Adoption and Approval

The Rights Plan became effective on July 18, 2022 upon approval and adoption by the Board and execution of the Rights Plan Agreement. Notice for filing of the Rights Plan has been accepted by the TSXV. Under the rules of the TSXV, the Rights Plan is subject to ratification by the shareholders. Pending shareholder ratification, the Rights Plan will remain in effect so that its intent is not circumvented prior to the Meeting. The Rights Plan has an initial term of three years subject to approval of its continuance by the shareholders at the Meeting. Failing confirmation at the Meeting, the Rights Plan and all outstanding Rights thereunder will terminate.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to ratify and approve the resolution set out below (the “**Rights Plan Resolution**”).

“BE IT RESOLVED THAT:

1. the continuation of the shareholder rights plan (the “**Shareholder Rights Plan**”) of Sable Resources Ltd. (the “**Company**”) on the terms and conditions set forth in the shareholder rights plan agreement (the “**Agreement**”) dated July 18, 2022 between the Company and TSX Trust Company, as rights agent, a copy of which has been tabled at this annual and special meeting of shareholders of the Company be and is hereby consented to, ratified, confirmed and approved;
2. the actions of the directors of the Company in adopting the Shareholder Rights Plan and in executing and delivering the Agreement be and are hereby ratified, confirmed and approved; and
3. any one director or officer of the Company be and is hereby authorized and directed, for and in the name of and on behalf of the Company (whether under the corporate seal of the Company or otherwise), to execute and deliver such agreements, documents, certificates and instruments and to take such other actions as such person may determine to be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such agreement, document, certificate and instrument and the taking of any such action.”

The Rights Plan Resolution must be approved by: (i) a simple majority of 50% plus one vote of the votes cast by shareholders, whether in person or by proxy, at the Meeting; and (ii) a simple majority of 50% plus one vote of the votes cast by the Independent Shareholders (as defined in the Rights Plan Agreement), whether in person or by proxy, at the Meeting. As of the record date for the Meeting, based on publicly available information, to the knowledge of the Company there are no holders of Common Shares that are not Independent Shareholders.

Summary of the Rights Plan

The material terms of the Rights Plan are summarized below. This summary is qualified in its entirety by reference to the actual provisions of the Rights Plan Agreement, the full text of which is reproduced in Schedule “C” to this Information Circular. Readers should carefully review Schedule “C” of this Information Circular in its entirety. Capitalized terms not otherwise defined in this section shall have the same meaning ascribed to such terms in the Rights Plan Agreement.

Issue of Rights

One Right was issued and attached to each Common Share outstanding when the Rights Plan was adopted on July 18, 2022, and will attach to each Common Share issued prior to the earlier of the Separation Time and the Expiration Time. Rights will separate from the Common Shares and will be exercisable 10 trading days (the “**Separation Time**”) after a Person (as defined in the Rights Plan Agreement) has acquired Beneficial Ownership (as defined in the Rights Plan Agreement) of, or commences a take-over bid to acquire, 20% or more of the Common Shares, other than pursuant to a Take-over Bid (as defined in the Rights Plan Agreement) permitted by the Rights Plan (a “**Permitted Bid**”, as described below) or under certain exempted transactions. Following the Separation Time, each Right entitles the holder thereof to purchase from the Company one Common Share at an exercise price equal to three times the market price of a Common Share determined as at the Separation Time (the “**Exercise Price**”).

Acquiring Persons

An “Acquiring Person” generally is a Person who is the Beneficial Owner (as defined in the Rights Plan Agreement) of 20% or more of the outstanding Voting Shares (as defined in the Rights Plan Agreement). Excluded from the definition of an “Acquiring Person” are the Company and its Subsidiaries (as defined in

the Rights Plan Agreement) and, generally, any Person who becomes a Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of any one or a combination of:

- (i) a “Voting Share Reduction”,
- (ii) a “Permitted Bid Acquisition”,
- (iii) an “Exempt Acquisition”,
- (iv) a “Pro Rata Acquisition”, or
- (v) a “Convertible Security Acquisition”,

in each case, as those terms are defined in the Rights Plan Agreement. If a Person becomes the Beneficial Owner of 20% or more of the Voting Shares then outstanding by reason of one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition and thereafter such Person, while such Person is the Beneficial Owner of 20% or more of the Voting Shares then outstanding, increases the number of Voting Shares beneficially owned by such Person by more than 1.0% of the number of Voting Shares then outstanding (other than pursuant to one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition) then, as of the date such Person becomes the Beneficial Owner of such additional outstanding Voting Shares, such Person shall be an “Acquiring Person”.

The Shareholder Rights Plan provides that a Person who was the Beneficial Owner of 20% or more of the outstanding Voting Shares determined as at the Record Time (as defined in the Rights Plan Agreement) (a “**Grandfathered Person**”) is not an Acquiring Person unless, after the Record Time, that person becomes the Beneficial Owner of additional Voting Shares that increase that Person’s Beneficial Ownership of Voting Shares by more than 1.0% of the number of Voting Shares outstanding (other than through one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition).

Flip-in Event

Subject to certain exceptions, a “Flip-in Event” occurs when a Person becomes an Acquiring Person. If, prior to the Expiration Time, a Flip-in Event occurs that is not waived by the Board, each Right, other than Rights Beneficially Owned (as defined in the Rights Plan Agreement) by an Acquiring Person (or any Affiliate or Associate (each as defined in the Rights Plan Agreement) of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) and certain transferees, may be exercised on the 10th trading day after the Separation Time (as defined in the Rights Plan Agreement) to purchase that number of Common Shares which have an aggregate Market Price (as defined in the Rights Plan Agreement) on the date of the Flip-in Event equal to two times the Exercise Price of the Rights for an amount in cash equal to the Exercise Price. Rights Beneficially Owned by an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) and certain transferees will be void.

Permitted Bid Requirements

A Take-over Bid that qualifies as a Permitted Bid or a Competing Permitted Bid (as defined in the Rights Plan Agreement) will not trigger the exercise of Rights and the dilutive effects thereof. Permitted Bids must be made by means of a take-over bid circular and comply with the following:

1. the Take-over Bid must be made to all holders of Voting Shares other than the bidder;
2. the Take-over Bid must contain, and the take-up and payment for securities tendered or deposited thereunder must be subject to, an irrevocable and unqualified condition that no Voting Shares and/or Convertible Securities (as defined in the Rights Plan Agreement) will be taken up or paid for pursuant to the Take-over Bid:
 - a. prior to the close of business on the date which is not less than 105 days after the date of the Take-over Bid or such shorter minimum initial deposit period that a Take-over Bid (that is not exempt from the general Take-over Bid requirements contained in Part 2 of National

Instrument 62-104 – *Take-Over Bids and Issuer Bids* (“**NI 62-104**”)) must remain open for deposits of securities, in the applicable circumstances at such time, pursuant to NI 62-104; and

- b. only if, at the date in (a), more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the take-over bid and not withdrawn;
3. the Take-over Bid must contain an irrevocable and unqualified provision that, unless it is withdrawn, that no Voting Shares and/or Convertible Securities may be deposited or tendered pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which the Voting Shares and/or Convertible Securities subject to the Take-over Bid may be taken up and paid for, and that any Voting Shares and/or Convertible Securities deposited or tendered pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
4. the Take-over Bid must contain an irrevocable and unqualified provision that, if on the date on which Common Shares may be taken up and paid for more than 50% of the Voting Shares held by Independent Shareholders are deposited or tendered pursuant to the Take-over Bid and not withdrawn, then the bidder must make a public announcement of that fact and the Take-over Bid must then remain open for deposits and tenders of Voting Shares and/or Convertible Securities, as applicable, for an additional 10 days from the date of the public announcement,

provided, however, that a Take-over Bid that qualified as a Permitted Bid will cease to be a Permitted Bid at any time that such Take-over Bid ceases to meet any or all of the provisions of the Permitted Bid definition and provided that, at such time, any acquisitions of securities pursuant to the Permitted Bid will cease to be a Permitted Bid Acquisition.

The term “Permitted Bid” also includes a Competing Permitted Bid. The Rights Plan also allows a Competing Permitted Bid to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements for a Permitted Bid, except that the take-up and payment for securities tendered or deposited thereunder must be subject to an irrevocable and unqualified condition that no Voting Shares and/or Convertible Shares will be taken up or paid for pursuant to the Competing Permitted Bid prior to the close of business on the last day of the minimum initial deposit period that such Competing Permitted Bid must remain open for deposits or tenders of securities thereunder pursuant to NI 62-104 after the date the Competing Permitted Bid.

Permitted Lock-up Agreements

A Person may be deemed to Beneficially Own a security because it has entered into a lock-up agreement, provided that a Person will not be deemed to Beneficially Own a security because it has entered into a “Permitted Lock-Up Agreement”. Generally, a Permitted Lock-Up Agreement is an agreement between a Person and one or more holders of Voting Shares and/or Convertible Securities (each a “**Locked-Up Person**”) pursuant to which such Locked-Up Persons agree to deposit or tender Voting Shares and/or Convertible Securities to a Take-over Bid (the “**Lock-Up Bid**”) made or to be made by such Person or any of such Person’s Affiliates or Associates or any other Person with which such Person is acting jointly or in concert, provided that:

- i. the terms of the agreement are publicly disclosed and a copy of the agreement is made available to the public (including the Company) not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has been made prior to the date on which such agreement is entered into, not later than the first Business Day following the date of such agreement;
- ii. the agreement permits a Locked-Up Person to terminate its obligation to (A) deposit Voting Shares and/or Convertible Securities to, or (B) not withdraw such Voting Shares and/or Convertible Securities from, the Lock-Up Bid, and to terminate any obligation with respect to the voting of such Voting Shares and/or Convertible Securities, in order to tender or deposit Voting Shares and/or Convertible Securities to another Take-over Bid or to support another transaction where the price or value of the consideration per Voting Share and/or Convertible Security is either greater than that offered pursuant to the Lock-Up Bid or exceeds that offered pursuant to the Lock-Up Bid by a specific amount, provided that the

specific amount is no more than 7% of the price or value of the consideration per Voting Share and/or Convertible Security at which the Locked-Up Person has agreed to deposit or tender Voting Shares or Convertible Securities to the Lock-Up Bid;

- iii. if the Lock-Up bid is for less than 100% of the Voting Shares and/or Convertible Securities held by Independent Shareholders, the agreement permits a Locked-Up Person to terminate its obligation to (A) deposit Voting Shares and/or Convertible Securities to, or (B) not withdraw such Voting Shares and/or Convertible Securities from, the Lock-Up Bid, and to terminate any obligation with respect to the voting of such Voting Shares and/or Convertible Securities, in order to tender or deposit Voting Shares and/or Convertible Securities to another Take-over Bid or to support another transaction where the number of Voting Shares and/or Convertible Securities offered to be purchased under the competing Take-over Bid or transaction at a price or value not less than that offered pursuant to the Lock-Up Bid is either greater than the number of Voting Shares and/or Convertible Securities offered to be purchased under the Lock-Up Bid or exceeds the number of Voting Shares and/or Convertible Securities offered to be purchased under the Lock-Up Bid by a specific number, provided that the specific number is no more than 7% of the number of Voting Shares or Convertible Securities offered to be purchased under the Lock-Up Bid; and
- iv. the agreement does not provide for break-up fees or similar payments if the Locked-Up Person fails to deposit its Voting Shares or Convertible Securities to the Lock-Up Bid in order to accept or support a competing transaction that exceed the greater of (A) 2.5% of the price payable to the Locked-Up Person under the Lock-Up Bid referred to in the agreement and (B) one-half of the increased consideration that is offered under the competing take-over bid or other transaction.

Redemption and Waivers

At any time prior to the occurrence of a Flip-in Event, the Board may, with the prior approval of the holders of Common Shares or Rights, redeem the Rights at a redemption price of \$0.00001 per Right, rounded down to the nearest whole cent for each holder of Rights (the “**Redemption Price**”). The Board will be deemed to have elected to redeem the Rights if a Person that has made a Permitted Bid, a Competing Permitted Bid or a Take-over Bid in respect of which the Board has waived the application of the Rights Plan, takes up and pays for Voting Shares pursuant to the terms and conditions of such Permitted Bid, Competing Permitted Bid or Take-over Bid, as the case may be.

At any time prior to the occurrence of a Flip-in Event, the Board may, with the prior approval of the holders of Voting Shares, waive the flip-in provisions where a Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to all holders of Voting Shares.

If a redemption of Rights or the foregoing waiver is proposed prior to the Separation Time, then such redemption or waiver must be approved by a majority of the votes cast by Independent Shareholders present in person or represented by proxy at a meeting of shareholders. If a redemption of Rights is proposed after the Separation Time, then such redemption must be approved by a majority of the votes cast by the holders of Rights present in person or represented by proxy at a meeting of such holders. At that meeting, each outstanding Right will represent one vote (other than Rights that are Beneficially Owned by any Person who would not be an Independent Shareholder if that person held Common Shares and Rights that have become null and void).

At any time prior to the occurrence of a Flip-in Event, the Board may, without the approval of the holders of Voting Shares or Rights, waive the flip-in provisions in respect of a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares. If the Board grants such a waiver, then the provisions of the Amended and Restated Shareholder Rights Plan that apply upon the occurrence of a Flip-in Event will also be deemed to be waived in respect of any other Flip-in Event occurring by reason of any Take-over Bid made by any other Offeror by means of a take-over bid circular to all holders of record of Voting Shares prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted.

The operation of the Rights Plan may be waived where a Person has inadvertently become an Acquiring Person and agrees to reduce its Beneficial Ownership of Voting Shares such that it is no longer an Acquiring

Person. Any such waiver must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the “**Disposition Date**”), has reduced its Beneficial Ownership of Voting Securities such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a Flip-in Event.

Where a take-over bid that is not a Permitted Bid or Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all the outstanding Rights at the Redemption Price and reissue Rights under this Agreement to holders of record of Common Shares immediately following the time of such redemption and, thereafter, all of the provisions of this Agreement shall continue in full force and effect and such Rights, without any further formality, shall be attached to the outstanding Voting Shares in the same manner as prior to the occurrence of such Separation Time.

If the Board is deemed to have elected or elects to redeem the Rights as described above and, where the approval of the holders of Voting Shares or Rights is required and obtained for such redemption, as the case may be, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price. Within 10 business days of any such election or deemed election to redeem the Rights, or within 10 business days of the requisite approval of the holders of Voting Shares or Rights, as the case may be, the Company will notify the holders of the Voting Shares or, after the Separation Time, the holders of the Rights. Upon a redemption of Rights, the Company is not obliged to make a redemption payment to any holder of Rights unless the holder is entitled to receive at least \$1.00 in respect of all Rights held by such holder.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by the applicable certificates for Common Shares or by the applicable book entry form registration for the associated Common Shares and will be transferable only together with, and will be transferred by a transfer of, such associated Common Shares issued from and after adoption of the Rights Plan on July 18, 2022 and will not be transferable separately from Common Shares. From and after the Separation Time, the Rights will be evidenced by physical Rights certificates or uncertificated positions registered in book entry form only, at which time the Rights will be transferable and traded separately from the Common Shares.

Fiduciary Duty of the Board

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Company and its shareholders. The Board will continue to have the duty and power to take such actions and make such recommendations to the shareholders as are considered appropriate.

Amendment to the Rights Plan

The Board may amend the Rights Plan and the Rights Plan Agreement with the approval of a majority of the votes cast by Independent Shareholders voting in person and by proxy. Without such approval, the Board may amend to correct any clerical or typographical error or to make such changes as are required to maintain the validity and effectiveness of the Rights Plan as a result of any change in any applicable laws, rules or regulatory requirements.

Term

If the Rights Plan is approved by Shareholders, the Rights Plan will expire at the close of business on the date of the Company’s annual meeting unless the continuation of the Rights Plan for additional three-year periods is approved by the Independent Shareholders of the Company.

Recommendation of the Board: Voting of Proxies

The Rights Plan Resolution, the text of which is set out above, must be approved by at least a majority of the votes cast at the Meeting by all shareholders of the Company present or represented by proxy in order for the Rights Plan to be effective.

The Board recommends that shareholders vote FOR the approval of the Rights Plan Resolution as described in this Information Circular. In the absence of voting directions, proxies received by management will be voted FOR the approval of the Rights Plan Resolution.

ADDITIONAL INFORMATION

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2021 and in the related management discussion and analysis and filed at www.sedar.com. Additional information relating to the Company is available on SEDAR at www.sedar.com and is available upon request from the Company's Secretary, Charlotte May at 416-471-3366 or via email at charlotte.may@sableresources.com. To request copies of the Company's financial statements and management's discussion and analysis, Shareholders may also contact the Company at its principal office address at 999 West Hastings Street, Suite 900, Vancouver, British Columbia V6C 2W2. Copies of documents will be provided free of charge to security holders of the Company.

APPROVAL

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

DATED: July 18, 2022.

(Signed) "Thomas Obradovich"

Thomas Obradovich
Chair

SCHEDULE "A"

SABLE RESOURCES LIMITED

CHARTER OF THE AUDIT COMMITTEE

This Charter has been adopted by the Board in order to comply with the Multilateral Instrument 52-110 and to more properly define the role of the Audit Committee (the "Committee") in the oversight of the financial reporting process of Sable Resources Limited (the "Corporation"). Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose

The purpose of the Committee is to:

- a) significantly improve the quality of the Corporation's financial reporting;
- b) assist the Board to properly and fully discharge its responsibilities;
- c) provide an avenue of enhanced communication between the Board and external auditors;
- d) enhance the external auditor's independence;
- e) increase the credibility and objectivity of financial reports; and
- f) strengthen the role of the outside members of the Board by facilitating in depth discussions between Members, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*;

"Affiliate" shall have the meaning ascribed thereto in the Instrument;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Board" means the board of directors of the Corporation;

"Charter" means this audit committee charter;

"Corporation" means Sable Resources Limited;

"Committee" means the audit committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

"Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation, except where there is evidence showing that the holder of those securities does not materially affect control of the Corporation;

“executive officer” means an individual who is:

- a) a chair of the Corporation;
- b) a vice-chair of the Corporation;
- c) a president of the Corporation;
- d) a vice-president in charge of a principal business unit, division or function including sales, finance or production;
- e) an officer of the Corporation or any of its subsidiary entities who performs a policy-making function in respect of the Corporation; or
- f) any other individual who performs a policy-making function in respect of the Corporation;

“financially literate” has the meaning set forth in Section 1.3;

“immediate family member” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“independent” has the meaning set forth in Section 1.2;

“Instrument” means Multilateral Instrument 52-110;

“MD&A” has the meaning ascribed to it in the National Instrument;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“non-audit services” means services other than audit services;

1.2 Meaning of Independence

1. A Member is independent if the Member has no direct or indirect material relationship with the Corporation, all as determined in accordance with the Instrument.
2. For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a Member’s independent judgement.

1.3 Meaning of Financial Literacy - For the purposes of this Charter, 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 Corporation’s financial statements.

PART 2

2.1 Audit Committee – The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors – The Corporation will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the Board:
 - a) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.

This responsibility shall include:

- a) reviewing the audit plan with management and the external auditor;
 - b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - g) reviewing interim unaudited financial statements before release to the public;
 - h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, the annual information form and management's discussion and analysis;
 - i) reviewing any evaluation of internal controls by the external auditor, together with management's response;
 - j) reviewing the terms of reference of the internal auditor, if any;
 - k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - l) reviewing the appointments of the Chief Financial Officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.

4. The Committee shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.
7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in the National Instrument, on a routine basis, whether or not there is to be a change of auditor.
8. The Committee shall, as applicable, establish procedures for:
 - a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
 - b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. The Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services – The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;
- b) the Corporation or the subsidiary entity of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall be independent.
4. Every audit committee member shall be financially literate.

PART 4

4.1 Authority – Until the replacement of this Charter, the Committee shall have the authority 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 Committee,
- c) communicate directly with the internal and external auditors; and
- d) recommend the amendment or approval of audited and interim financial statements to the Board.

PART 5

5.1 Disclosure in Information Circular -- If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (*Disclosure by Venture Issuers*). If the Corporation is not required to send a management information circular to its security holders, it must provide the disclosure required by Form 52-110F2 in its annual information form or annual MD&A.

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor, if any, and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.

Approved: October 24, 2018

SCHEDULE "B"

AMENDED AND RESTATED STOCK OPTION PLAN

1. PURPOSE

The purpose of this stock option plan (the "**Plan**") is to authorize the grant to Eligible Persons (as such term is defined below) of Sable Resources Ltd. (the "**Corporation**") of options to purchase common shares ("**shares**") of the Corporation's capital and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation.

2. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation or a committee established by the board of directors for that purpose (the "**Committee**"). Subject to approval of the granting of options by the board of directors or Committee, as applicable, the Corporation shall grant options under the Plan.

3. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of paragraph 13 hereof, the aggregate number of shares of the Corporation which may be issued and sold under the Plan will not exceed such number of shares as is equal to 10% of the aggregate number of shares issued and outstanding from time to time. The total number of shares which may be issued or reserved for issuance to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Corporation shall not, upon the exercise of any option, be required to issue or deliver any shares prior to (a) the admission of such shares to listing on any stock exchange on which the Corporation's shares may then be listed, and (b) the completion of such registration or other qualification of such shares under any law, rules or regulation as the Corporation shall determine to be necessary or advisable. If any shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.

4. LIMITS WITH RESPECT TO INSIDERS

- a. The maximum aggregate number of shares which may be issuable to insiders (as a group) pursuant to all security based compensation, including options issuable under the Plan, shall be 10% of the shares issued and outstanding (on a non-diluted basis) at any point in time, unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with TSX-V policy.
- b. The maximum aggregate number of shares which may be granted to insiders (as a group) pursuant to all security based compensation granted or issued, including options granted or issued under the Plan, within any 12 month period shall be 10% of the outstanding issue, calculated as at the date any security based compensation is granted or issued to any insider, unless the Corporation has obtained the requisite disinterested shareholder approval in accordance with TSX-V policy.

5. ELIGIBILITY

Options shall be granted only to Eligible Persons, any registered savings plan established by an Eligible Person or any corporation wholly-owned by an Eligible Person. The term "**Eligible Person**" means:

- a. a senior officer or director of the Corporation or any of its subsidiaries;

- b. either:
- i. an individual who is considered an employee under the *Income Tax Act* (Canada), as amended (the “**Tax Act**”),
 - ii. an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or
 - iii. an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, any such individual, an “**Employee**”;
- c. an individual employed by a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual (a “**Company**”) which individual is providing management services to the Corporation through such Company, or an individual (together with a Company, a “**Person**”) providing management services directly to the Corporation, which management services are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities (as hereafter defined) (a “**Management Company Employee**”);
- d. an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, who:
- i. provides ongoing consulting services to the Corporation or an Affiliate of the Corporation under a written contract other than services provided in relation to a Distribution (as defined in the policies of the TSX-V);
 - ii. possesses technical, business or management expertise of value to the Corporation or an Affiliate of the Corporation;
 - iii. spends a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation;
 - iv. has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
 - v. does not engage in Investor Relations Activities (as hereafter defined) any such individual, a “**Consultant**”;
- e. an individual (or a company or partnership of which the individual is an employee, shareholder or partner), other than an Employee, Management Company Employee, director or senior officer, that falls within the definition of Consultant contained in subsections 5(d)(i) through (iv) which provides Investor Relations Activities (an “**Investor Relations Consultant**”); or
- f. a Person that falls within the definition of Eligible Person contained in any of subsections 5(a), (b) or (d) which provides Investor Relations Activities (an “**Investor Relations Person**”).

For purposes of the foregoing, a Company is an “**Affiliate**” of another Company if: (a) one of them is the subsidiary of the other; or (b) each of them is controlled by the same Person.

The term “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- a. the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - i. to promote the sale of products or services of the Corporation, or
 - ii. to raise public awareness of the Corporation,
 - iii. that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- b. activities or communications necessary to comply with the requirements of:
 - i. applicable securities laws, policies or regulations,
 - ii. the rules, and regulations of the TSX Venture Exchange (“**TSX-V**”) or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - iii. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (1) the communication is only through the newspaper, magazine or publication, and
 - (2) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
- c. activities or communications that may be otherwise specified by the TSX-V.

For stock options to Employees, Consultants, Management Company Employees or Investor Relations Persons, the Corporation and the optionee must each represent that the optionee is a *bona fide* Employee, Consultant, Management Company Employee or Investor Relations Person as the case may be. The terms “insider”, “controlled” and “subsidiary” shall have the meanings ascribed thereto in the *Securities Act* (Ontario) from time to time. Subject to the foregoing, the board of directors or Committee, as applicable, shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of shares subject to each option.

6. LIMITS WITH RESPECT TO CONSULTANTS AND INVESTOR RELATIONS PERSONS

- a. The maximum number of stock options which may be granted to any one Consultant under the Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).
- b. The maximum number of stock options which may be granted to Investor Relations Persons under the Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the shares issued and outstanding at the time of the grant (on a non-diluted basis).

7. PRICE

The purchase price (the "**Price**") for the shares of the Corporation under each option shall be determined by the board of directors or Committee, as applicable, on the basis of the market price, where "market price" shall mean the prior trading day closing price of the shares of the Corporation on any stock exchange on which the shares are listed or last trading price on the prior trading day on any dealing network where the shares trade, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the shares of the Corporation on any stock exchange on which the shares are listed or dealing network on which the shares of the Corporation trade for the five (5) immediately preceding trading days, provided that in the event the shares are listed on the TSX-V, the Price may be the market price less any discounts from the market price allowed by the TSX-V, subject to a minimum price of \$0.05. In the event the shares are not listed on any exchange and do not trade on any dealing network, the market price will be determined by the board of directors. The approval of disinterested shareholders will be required for any reduction in the Price, or extension of the term, of a previously granted option to an insider of the Corporation.

8. PERIOD OF OPTION AND RIGHTS TO EXERCISE

Subject to the provisions of this paragraph 8 and paragraphs 10, 11 and 18 below, options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options shall not be granted for a term exceeding five years. Subject to paragraph 9 below, the shares to be purchased upon each exercise of any option (the "**optioned shares**") shall be paid for in full at the time of such exercise. Except as provided in paragraphs 10, 11 and 18 below, no option which is held by a service provider may be exercised unless the optionee is then a service provider for the Corporation.

9. NET EXERCISE RIGHT

Subject to the rules and policies of the TSX-V, and except with respect to options held by Investor Relations Persons, the board of directors may, in its discretion and at any time, determine to grant an optionee the alternative, when entitled to exercise an option, upon such terms and conditions as the board of directors may determine in its discretion, the right (the "**Net Exercise Right**"), in lieu of the right to exercise an option with a cash payment, to exercise such option in whole or in part on a "net exercise" basis without a cash payment, and, in lieu of receiving the shares to which such exercised option relates, to receive the number of shares (the "**option shares**"), disregarding fractions, which is equal to the quotient obtained by dividing:

- a. the product of the number of options being exercised multiplied by the difference between the volume weighted average trading price of the shares listed on the TSX-V (calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the applicable reference date) (the "**VWAP**") of the underlying shares and the exercise price of the options; by
- b. the VWAP of the underlying shares on the date of exercise,

and, where the optionee is subject to the Tax Act in respect of the option to the extent permissible, the Corporation shall make the election provided for in subsection 110(1.1) of the Tax Act.

For greater certainty, the number of shares determined by the above formula may be reduced by that amount of tax obligations, being all withholding required under any governing tax law with respect to the payment of any amount with respect to the exercise of an option, applicable to the receipt of the option shares.

If an optionee exercises a Net Exercise Right in connection with an option, it is exercisable only to the extent and on the same conditions that the related option is exercisable under this Plan.

10. CESSATION OF PROVISION OF SERVICES

Subject to paragraph 11 below, if any optionee who is a service provider shall cease to be an Eligible Person of the Corporation for any reason (whether or not for cause) the optionee may, but only within the period of ninety days (unless such period is extended by the board of directors or the Committee, as applicable, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the shares of the Corporation trade where required), or thirty days if the Eligible Person is an Investor Relations Person (unless such period is extended by the board of directors or the Committee, as applicable, to a maximum of one year next succeeding such cessation, and approval is obtained from the stock exchange on which the shares of the Corporation trade where required), next succeeding such cessation and in no event after the expiry date of the optionee's option, exercise the optionee's option unless such period is extended as provided in paragraph 11 below.

11. DEATH OF OPTIONEE

In the event of the death of an optionee during the currency of the optionee's option, the option theretofore granted to the optionee shall be exercisable within, but only within, the period of one year next succeeding the optionee's death. Before expiry of an option under this paragraph 11, the board of directors or Committee, as applicable, shall notify the optionee's representative in writing of such expiry.

12. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

An option granted under the Plan shall be non-assignable and non-transferable by an optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

13. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The options granted under the Plan may contain such provisions as the board of directors, or Committee, as applicable, may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. If there is a reduction in the exercise price, or extension of the term, of the options of an insider of the Corporation, the Corporation will be required to obtain approval from disinterested shareholders.

14. AMENDMENT AND TERMINATION OF THE PLAN

The board of directors or Committee, as applicable, may at any time amend or terminate the Plan, but where amended, such amendment is subject to regulatory approval.

15. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

16. EVIDENCE OF OPTIONS

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

17. EXERCISE OF OPTION

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the

number of shares with respect to which the option is being exercised and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the shares then being purchased.

Alternatively, subject to the provisions of the Plan, the particular option, and the rules and policies of the TSX-V, an option may be exercised in connection with an optionee's (except for optionees who are Investor Relations Persons) exercise of his or her Net Exercise Right from time to time by delivering to the Corporation at its registered office (i) a written notice specifying that the optionee is exercising his or her Net Exercise Right in respect of a certain number of his or her options, and (ii) the payment of an amount for any tax withholding or remittance obligations of the optionee or the Corporation arising under applicable law and verified by the Corporation to its satisfaction (or by entering into some other arrangement acceptable to the Corporation in its discretion, if any).

Upon receipt of a certificate of an authorized officer directing the issue of shares purchased under the Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the optioned shares or the option shares, as applicable, in the name of such optionee or the optionee's legal personal representative or as may be directed in writing by the optionee's legal personal representative.

18. VESTING RESTRICTIONS

Options issued under the Plan may vest at the discretion of the board of directors or Committee, as applicable, provided that if required by any stock exchange on which the shares of the Corporation trade, options issued to Investor Relations Consultants must vest in stages over not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.

19. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any optioned shares:

- a. the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- b. a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the board of directors or Committee, as applicable, has determined that no adjustment shall be made pursuant to section 12 hereof, (i) the board of directors or Committee, as applicable, may permit the optionee to exercise the option granted under this Plan, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) the board of directors or Committee, as applicable, may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise.

For these purposes, an Acceleration Event means:

- a. the acquisition by any "offeror" (as defined in National Instrument 62-104) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- b. any consolidation or merger of the Corporation in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of the Corporation would be converted into cash, securities or other property, other than a merger of the Corporation in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;

- c. any sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation; or
- d. the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

20. RIGHTS PRIOR TO EXERCISE

An optionee shall have no rights whatsoever as a shareholder in respect of any of the optioned shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of optioned shares in respect of which the optionee shall have exercised the option to purchase hereunder and which the optionee shall have actually taken up and paid for.

21. TAX MATTERS

The Corporation shall have the power and the right to deduct or withhold, or require an optionee to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any stock option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of shares issuable upon exercise of the stock options as it determines are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such shares issuable upon exercise of the stock options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such shares issuable upon exercise of the stock options.

22. GOVERNING LAW

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

23. EXPIRY OF OPTION

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the optioned shares in respect of which the option has not been exercised.

SCHEDULE "C"

SHAREHOLDER RIGHTS PLAN AGREEMENT

See attached.

SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED AS OF JULY 18, 2022

BETWEEN

SABLE RESOURCES LTD.

AND

TSX TRUST COMPANY, AS RIGHTS AGENT

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RIGHTS PLAN AGREEMENT

THIS AGREEMENT dated as of July 18, 2022

BETWEEN :

SABLE RESOURCES LTD.,

a corporation existing under the laws of the Province of British Columbia,

(hereinafter referred to as the "**Corporation**")

- and -

TSX TRUST COMPANY,

a corporation existing under the laws of Canada, as rights agent

(hereinafter referred to as the "**Rights Agent**")

RECITALS:

- A. The Board of Directors (as defined herein) of the Corporation has determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan (the "**Rights Plan**") to:
- i. ensure, to the extent possible, that all holders of the Common Shares (as defined herein) of the Corporation and the Board of Directors have adequate time to consider and evaluate any unsolicited Take-over Bid (as defined herein) for the Common Shares;
 - ii. provide the Board of Directors with adequate time to identify, solicit, develop and negotiate value-enhancing alternatives, as considered appropriate, to any unsolicited Take-over Bid;
 - iii. encourage the fair treatment of the Corporation's shareholders in connection with any unsolicited Take-over Bid; and
 - iv. generally assist the Board of Directors in enhancing shareholder value.
- B. In order to implement the Rights Plan, the Board of Directors has authorized:
- i. the issuance of one Right (as defined herein) in respect of each Voting Share (as defined herein) outstanding at the Record Time (as defined herein); and
 - ii. the issuance of one Right in respect of each Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.
- C. Each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement.
- D. The Corporation wishes to appoint the Rights Agent to act on behalf of the Corporation and holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to in this Agreement.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Certain Definitions

For the purposes of this Agreement, the following terms have the meanings indicated:

(a) **“Acquiring Person”** shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term **“Acquiring Person”** shall not include:

- (i) the Corporation or any Subsidiary of the Corporation;
- (ii) any Person who becomes the Beneficial Owner of 20% or more of the then outstanding Voting Shares as a result of any one or any combination of:
 - (A) a Voting Share Reduction;
 - (B) a Permitted Bid Acquisition;
 - (C) an Exempt Acquisition;
 - (D) a Pro Rata Acquisition; or
 - (E) a Convertible Security Acquisition,

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the Voting Shares then outstanding by reason of one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition and thereafter such Person, while such Person is the Beneficial Owner of 20% or more of the Voting Shares then outstanding, increases the number of Voting Shares beneficially owned by such Person by more than 1.0% of the number of Voting Shares then outstanding (other than pursuant to one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition) then, as of the date such Person becomes the Beneficial Owner of such additional outstanding Voting Shares, such Person shall be an **“Acquiring Person”**;

- (iii) for a period of 10 days after the Disqualification Date (as defined below), any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on or no longer being a Person described in Section 1.1(e)(vi) solely because such Person or such Person’s Affiliates or Associates makes or announces an intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purpose of this defined term, **“Disqualification Date”** means the first date of a public announcement of facts indicating that such Person is making or intends to make a Take-over Bid either alone, through such Person’s Affiliates or Associates, or by acting jointly or in concert with any other Person;
- (iv) an underwriter or member of a banking or selling group acting in such capacity that becomes the Beneficial Owner of 20% or more of the Voting Shares in connection with a distribution of securities of the Corporation pursuant to a prospectus or by way of a private placement; or
- (v) a Person (a **“Grandfathered Person”**) who is the Beneficial Owner of 20% or more of the outstanding Voting Shares determined as at the Record Time; provided,

however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time, become the Beneficial Owner of additional Voting Shares that increases its Beneficial Ownership of Voting Shares by more than 1.0% of the number of Voting Shares outstanding (other than through one or any combination of a Voting Share Reduction, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition or a Convertible Security Acquisition);

(b) **“Affiliate”**, when used to indicate a relationship with a Person, shall mean a Person that directly, or indirectly through one or more controlled intermediaries, controls, or is a Person controlled by, or is a Person under common control with, such specified Person;

(c) **“Associate”**, when used to indicate a relationship with a Person, shall mean (i) a spouse of that Person, (ii) any Person who resides in the same home as that Person and to whom that Person is married or with whom that Person is living in a conjugal relationship outside marriage, a child of that Person or (iii) a relative of that Person or of a Person mentioned in clause (i) or (ii) of this definition if the relative resides in the same home as that Person;

(d) **“BCBCA”** shall mean the *Business Corporations Act* (British Columbia), as amended, and the regulations made thereunder and any comparable or successor laws or regulations thereto;

(e) a Person shall be deemed the **“Beneficial Owner”** of, and to have **“Beneficial Ownership”** of, and to **“Beneficially Own”**:

- (i) any securities as to which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
- (ii) any securities as to which such Person or any of such Person’s Affiliates or Associates has or shares the right or obligation to acquire or become the owner at law or in equity upon the purchase, exercise, conversion or exchange of any Convertible Security or pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing, in each case where such right or obligation is exercisable immediately or within a period of 60 days thereafter and whether or not on conditions or upon the happening of any contingency, or the making of any payment, other than pursuant to any:
 - (A) customary agreements with and between the Corporation and underwriters and members of banking groups or selling groups with respect to a distribution of securities by the Corporation pursuant to a prospectus or by way of private placement;
 - (B) pledges or hypothecations of securities granted as security in the ordinary course of business of the pledgee or hypothecatee; or
 - (C) agreements between the Corporation and any Person pursuant to an amalgamation, merger, arrangement, business combination or other similar transaction (statutory or otherwise, but for greater certainty not including a Take-over Bid) that is conditional upon the approval of the shareholders of the Corporation to be obtained prior to such Person acquiring such securities;
- (iii) any securities which are subject to a lock-up agreement or similar commitment to deposit or tender such securities to a Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person acting jointly or in concert with such Person; and

- (iv) any securities which are Beneficially Owned within the meaning of the foregoing provisions of this Section 1.1(e) by any other Person with which such Person is acting jointly or in concert with respect to the Corporation or any of its securities;

provided, however, that a Person shall not be deemed the “Beneficial Owner” of, or to have “Beneficial Ownership” of, or to “Beneficially Own”, any security solely because:

- (v) such security has been or had been agreed to be deposited or tendered pursuant to a Permitted Lock-Up Agreement or is otherwise deposited or tendered pursuant to any Take-over Bid made by such Person, made by any of such Person’s Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until such deposited or tendered security has been taken up or paid for, whichever shall occur first;
- (vi) such Person or any of the Affiliates or Associates of such Person or any other Person acting jointly or in concert with such Person holds such security and:
 - (A) the ordinary business of any such Person (a “**Fund Manager**”) includes the management of investment funds for others (which for greater certainty may include, or be limited to, employee benefit plans or pension plans) and such security is held by the Fund Manager in the ordinary course of such business in the performance of such Fund Manager’s duties for the account of any other Person (a “**Client**”), including non-discretionary accounts held on behalf of a Client by a broker or dealer registered under applicable law;
 - (B) such Person (a “**Trust Company**”) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an “**Estate Account**”) or in relation to other accounts (each an “**Other Account**”) and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
 - (C) such Person is a pension fund or plan registered under the laws of Canada or any province thereof or the laws of the United States of America or any state thereof (a “**Plan**”) and such security is held by the Plan in the ordinary course of the Plan’s activities;
 - (D) such Person (a “**Plan Administrator**”) is the administrator or the trustee of one or more Plans and such security is held by the Plan Administrator in the ordinary course of such Plan Administrator’s activities;
 - (E) such Person (a “**Statutory Body**”) is established by statute for purposes that include, and the ordinary business or activity of such Person includes, the management of investment funds for employee benefit plans, pension plans and insurance plans of various public bodies and such security is held by the Statutory Body in the ordinary course of the management of such investment funds;
 - (F) such Person is a Crown Agent or agency (a “**Crown Agent**”); or
 - (G) such Person (a “**Manager**”) is the manager or trustee of a mutual fund (a “**Mutual Fund**”) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America or is a Mutual Fund;

provided, however, that in any of the foregoing cases, the Fund Manager, the Trust Company, the Plan, the Plan Administrator, the Statutory Body, the Crown Agent, the Manager or the Mutual Fund, as the case may be, is not then making a Take-over Bid, has not then announced an intention to make a Take-over Bid and is not then acting jointly or in concert with any other Person who is making a Take-over Bid or who has announced an intention to make a Take-over Bid, other than an Offer to Acquire Voting Shares or other securities (X) pursuant to a distribution by the Corporation, (Y) by means of a Permitted Bid or a Competing Permitted Bid or (Z) by means of market transactions made in the ordinary course of the business of such Person (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market;

- (vii) such Person is (A) a Client of the same Fund Manager as another Person on whose account the Fund Manager holds such security or (B) an Estate Account or Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or (C) a Plan with the same Plan Administrator as another Plan on whose account the Plan Administrator holds such securities;
- (viii) such Person is (A) a Client of a Fund Manager and such security is owned at law or in equity by the Fund Manager or (B) an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or (C) a Plan and such security is owned at law or in equity by the Plan Administrator; or
- (ix) because such Person is the registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository;

(f) **“Board of Directors”** shall mean the board of directors of the Corporation or, if duly constituted and whenever duly empowered, any committee of the board of directors of the Corporation;

(g) **“Book Entry Form”** means, in reference to securities, securities that have been issued and registered in uncertificated form and includes securities evidenced by an advice or other statement and securities which are maintained electronically on the records of the Corporation’s transfer agent but for which no certificate has been issued;

(h) **“Book Entry Rights Exercise Procedures”** has the meaning ascribed to it in Section 3.1(d);

(i) **“Business Day”** shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in Vancouver, British Columbia and Toronto, Ontario are authorized or obligated by law to close;

(j) **“Canadian Dollar Equivalent”** of any amount which is expressed in United States dollars shall mean, on any date, the Canadian dollar equivalent of such amount determined by multiplying such amount by the U.S.-Canadian Exchange Rate in effect on such date;

(k) **“certificate”** shall have the meaning ascribed thereto in Section 2.5;

(l) **“close of business”** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in Toronto, Ontario (or, after the Separation Time, the office of the Rights Agent in Toronto, Ontario) is closed to the public provided, however, that for the purposes of the definitions of “Competing Permitted Bid” and “Permitted Bid”, “close of business” on any date means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day);

(m) **“Common Share”** shall mean a common share of the Corporation and any other share of the Corporation into which such share may be subdivided, consolidated, reclassified or changed from time to time;

(n) **“Competing Permitted Bid”** shall mean a Take-over Bid that is made by means of a take-over bid circular and that also complies with the following additional provisions:

- (i) is made after any previous Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of any previous Permitted Bid or Competing Permitted Bid;
- (ii) satisfies all of the provisions of the definition of Permitted Bid in Section 1.1(jj) other than the requirements set out in clause (ii)(A) of the definition of Permitted Bid; and
- (iii) contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Voting Shares and/or Convertible Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits or tenders of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid;

provided, however, that a Take-over Bid that qualified as a Competing Permitted Bid shall cease to be a Competing Permitted Bid at any time and as soon as such time when such Take-over Bid ceases to meet any of the provisions of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Competing Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition;

(o) **“controlled”**: a Person is **“controlled”** by another Person or two or more Persons acting jointly or in concert if:

- (i) in the case of a Person other than a partnership or a limited partnership, including a corporation or body corporate: (A) securities entitled to vote in the election of directors or trustees of such body corporate carrying more than 50% of the votes for the election of the directors or trustees are held, directly or indirectly, by or for the benefit of the other Person or two or more Persons acting jointly or in concert, and (B) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors or trustees of such Person;
- (ii) in the case of a partnership other than a limited partnership, more than 50% of the voting or equity interests of such partnership are held, directly or indirectly, by or for the benefit of the other Person or Persons; and
- (iii) in the case of a limited partnership: (A) the other Person or each of the other Persons is a general partner of the limited partnership or (B) the general partner of such limited partnership is controlled by such other Person or Persons within the meaning of this definition,

and **“controls”**, **“controlling”** and **“under common control with”** shall be interpreted accordingly;

(p) **“Convertible Security”** shall mean a security that is convertible, exercisable or exchangeable into a Voting Share (including rights, warrants, convertible notes and options, but excluding the Rights) carrying any purchase, exercise, conversion or exchange rights, pursuant to which the holder of Convertible Securities may acquire Voting Shares or other securities convertible into or exercisable or exchangeable for Voting Shares, directly or indirectly (in each case, whether such right is exercisable

immediately or after a specified period and whether or not on condition or the happening of any contingency or the making of any payment);

(q) **“Convertible Security Acquisition”** shall mean the acquisition of Voting Shares by a Person upon the purchase, exercise, conversion or exchange of Convertible Securities acquired or received by such Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;

(r) **“Co-Rights Agent”** shall have the meaning ascribed thereto in Section 5.1(a);

(s) **“dividends paid in the ordinary course”** shall mean cash dividends paid in any financial year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, the greatest of:

- (i) 200% of the aggregate amount of cash dividends declared payable by the Corporation on its Common Shares in its immediately preceding financial year;
- (ii) 300% of the arithmetic average of the aggregate amounts of cash dividends declared payable by the Corporation on its Common Shares in its three immediately preceding financial years; and
- (iii) 100% of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding financial year;

(t) **“Effective Date”** means July 18, 2022;

(u) **“Election to Exercise”** shall have the meaning ascribed thereto in Section 3.1(e)(ii);

(v) **“equivalent common shares”** shall have the meaning ascribed thereto in Section 3.2(b);

(w) **“Exempt Acquisition”** shall mean an acquisition by a Person of Voting Shares and/or Convertible Securities:

- (i) in respect of which the Board of Directors has waived the application of Section 4.1 pursuant to the provisions of Section 6.1(b), Section 6.1(c), or Section 6.1(d);
- (ii) made as an intermediate step in a series of related transactions in connection with the acquisition by the Corporation or one or more of its Subsidiaries of securities or assets of a Person, provided that the Person who acquires such Voting Shares and/or Convertible Securities distributes or is deemed to distribute such Voting Shares and/or Convertible Securities to its security holders within 10 Business Days of the completion of such acquisition, and following such distribution no Person has become the Beneficial Owner of 20% or more of the then outstanding Voting Shares; or
- (iii) pursuant to a distribution of Voting Shares and/or Convertible Securities (and the conversion or exchange of such securities) made by the Corporation:
 - (A) to the public pursuant to a prospectus or similar document, provided that such Person does not thereby become the Beneficial Owner of a greater percentage of Voting Shares and/or Convertible Securities so offered than the percentage of Voting Shares and/or Convertible Securities Beneficially Owned by such Person immediately prior to such distribution; or
 - (B) by way of a private placement or under a share purchase plan or option plan of the Corporation or any Subsidiaries or other distribution made by the Corporation that is exempt from the prospectus requirements of applicable law (other than a Pro Rata Acquisition), provided that (x) all necessary stock exchange approvals for such private placement, stock option plan, share purchase plan or other distribution made by the

Corporation that is exempt from the prospectus requirements of applicable law have been obtained and such private placement, stock option plan, share purchase plan or other distribution made by the Corporation that is exempt from the prospectus requirements of applicable law complies with the terms and conditions of such approvals, and (y) such Person does not thereby become the Beneficial Owner of a greater percentage of Voting Shares so offered than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such acquisition;

(iv) pursuant to an amalgamation, merger, re-organization, arrangement, business combination or other similar transaction (statutory or otherwise, but for greater certainty not including a Take-over Bid) requiring approval by shareholders of the Corporation prior to such Person acquiring such securities; or

(v) pursuant to the exercise of Rights;

(x) **“Exercise Price”** shall mean, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of such Right. Until adjustment thereof in accordance with the terms hereof, the Exercise Price for each Right shall be:

(i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Common Share; and

(ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share;

of: (y) **“Expiration Time”** shall mean, subject to Section 6.15, the close of business on the earlier

(i) the date on which the right to exercise Rights shall terminate pursuant to Section 6.1(g); and

(ii) that date that is the earliest date of termination of this Agreement as provided for in Section 6.15;

provided that the Expiration Time shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 6.1) prior to the date upon which the Expiration Time would otherwise have occurred;

(z) **“Flip-in Event”** shall mean a transaction or other action in or pursuant to which any Person becomes an Acquiring Person;

(aa) **“Grandfathered Person”** shall have the meaning ascribed thereto in Section 1.1(a)(v);

(bb) **“holder”** shall have the meaning ascribed thereto in Section 2.5;

(cc) **“Independent Shareholders”** shall mean holders of Voting Shares other than Voting Shares Beneficially Owned by:

(i) an Acquiring Person;

(ii) an Offeror, other than any Person who by virtue of Section 1.1(e)(vi) is not deemed to Beneficially Own the Voting Shares held by such Person;

(iii) any Associate or Affiliate of such Acquiring Person or Offeror;

(iv) any Person acting jointly or in concert with such Acquiring Person or Offeror; and

(v) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any other similar plan or trust for the benefit of employees of the Corporation or a

Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or direct whether the Voting Shares are to be tendered to a Take-over Bid;

(dd) **“Market Price”** per share of any securities on any date of determination shall mean the average of the daily closing prices per share of such securities (determined as described below) for the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 3.2 shall have caused the closing prices in respect of any Trading Day used to determine the Market Price not to be fully comparable with the closing prices on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 3.2 in order to make it fully comparable with the closing price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing price per share of any securities on any date shall be:

- (i) the closing board lot sale price or, in case no such sale takes place on such date, the average of the closing bid and asked prices for each such share on such date, as reported by the principal stock exchange in Canada on which such securities are listed or admitted to trading;
- (ii) if for any reason none of such prices described in (i) above is available for such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the last sale price or, if such price is not available, the average of the closing bid and asked prices, for each such share on such date, as reported by such other securities exchange on which such securities are listed or admitted to trading (and if such securities are listed or admitted to trading on more than one other securities exchange such prices shall be determined based on the securities exchange on which such securities are then listed or admitted to trading on which the largest number of such shares were traded during the most recently completed financial year);
- (iii) if for any reason none of such prices described in (ii) above is available for such day or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange, the last sale price, or if no sale takes place, the average of the high bid and low asked prices for each such share on such date in the over-the-counter market, as quoted by any reporting system then in use (as determined in good faith by the Board of Directors); or
- (iv) if for any such date none of such prices described in (iii) above is available or the securities are not listed or admitted to trading on a Canadian stock exchange or any other securities exchange and are not quoted by any such reporting system, the average of the closing bid and asked prices for such date as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors,

provided, however, that if on any such date none of such prices is available, the closing price per share of such securities on such date shall mean the fair value per share of such securities on such date as determined by a nationally or internationally recognized investment dealer or investment banker chosen by the Corporation with respect to the fair value per share of such securities. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars on such date at the Canadian Dollar Equivalent thereof;

(ee) “**NI 62-104**” shall mean National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by the Canadian securities regulatory authorities, as amended, re- enacted or replaced from time to time, and any comparable or successor laws or instruments thereto;

(ff) “**Nominee**” shall have the meaning ascribed thereto in Section 3.1(d);

(gg) “**Offer to Acquire**” shall include:

- (i) an offer to purchase, or a solicitation of an offer to sell; and
- (ii) an acceptance of an offer to sell, whether or not such offer to sell has been solicited,

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;

(hh) “**Offeror**” shall mean a Person that has announced a current intention to make or who is making a Take-over Bid, but only so long as the Take-over Bid so announced or made has not been withdrawn or terminated or has not expired;

(ii) “**Permitted Bid**” shall mean a Take-over Bid that is made by means of a take-over bid circular and which also complies with the following additional provisions:

- (i) the Take-over Bid is made to all holders of Voting Shares as registered on the books of the Corporation, other than the Offeror;
- (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Voting Shares and/or Convertible Securities will be taken up or paid for pursuant to the Take-over Bid:
 - (A) prior to the close of business on the date which is not less than 105 days after the date of the Take-over Bid or such shorter minimum initial deposit period that a take-over bid (that is not exempt from the general take-over bid requirements contained in Part 2 of NI 62-104) must remain open for deposits of securities, in the applicable circumstances at such time, pursuant to NI 62-104; and
 - (B) then only if, at the date in (A), more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (iii) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, Voting Shares and/or Convertible Securities, as applicable, may be deposited or tendered pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which Voting Shares and/or Convertible Securities subject to the Take-over Bid may be taken up and paid for and that any Voting Shares and/or Convertible Securities deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (iv) the Take-over Bid contains an irrevocable and unqualified provision that in the event that the deposit condition set forth in clause (ii) above is satisfied, the Offeror shall make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares and/or Convertible Securities, as applicable, for not less than 10 days from the date of such public announcement;

provided, however, that a Take-over Bid that qualified as a Permitted Bid ceases to be a Permitted Bid at any time and as soon as such time when such Take-over Bid ceases to meet any or all of

the provisions of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition. The term "Permitted Bid" shall include a Competing Permitted Bid;

(jj) **"Permitted Bid Acquisition"** shall mean an acquisition of Voting Shares and/or Convertible Securities made pursuant to a Permitted Bid or a Competing Permitted Bid;

(kk) **"Permitted Lock-Up Agreement"** shall mean an agreement between a Person and one or more holders of Voting Shares and/or Convertible Securities pursuant to which such holders (each a **"Locked-Up Person"**) agree to deposit or tender Voting Shares and/or Convertible Securities to a Take-over Bid (the **"Lock-Up Bid"**) made or to be made by such Person or any of such Person's Affiliates or Associates or any other Person with which such Person is acting jointly or in concert, provided that:

(i) the terms of such agreement are publicly disclosed and a copy of such agreement is made available to the public (including the Corporation) not later than the date of the Lock-Up Bid or, if the Lock-Up Bid has been made prior to the date on which such agreement is entered into, not later than the first Business Day following the date of such agreement;

(ii) the agreement permits a Locked-Up Person to terminate its obligation to deposit or tender Voting Shares and/or Convertible Securities to, or not to withdraw such Voting Shares and/or Convertible Securities from, the Lock-Up Bid, and to terminate any obligation with respect to the voting of such Voting Shares and/or Convertible Securities, in order to tender or deposit the Voting Shares and/or Convertible Securities to another Take-over Bid or to support another transaction:

(A) where the price or value of the consideration per Voting Share and/or Convertible Security offered under such other Take-over Bid or transaction:

(I) is greater than the price or value of the consideration per Voting Share and/or Convertible Security at which the Locked-Up Person has agreed to deposit or tender Voting Shares or Convertible Securities to the Lock-Up Bid; or

(II) exceeds by as much as or more than a specified amount (the **"Specified Amount"**) the price or value of the consideration per Voting Share and/or Convertible Security at which the Locked-Up Person has agreed to deposit or tender Voting Shares and/or Convertible Securities to the Lock-Up Bid, provided that such Specified Amount is not greater than 7% of the price or value of the consideration per Voting Share and/or Convertible Security at which the Locked-Up Person has agreed to deposit or tender Voting Shares or Convertible Securities to the Lock-Up Bid; and

(B) if the number of Voting Shares and/or Convertible Securities offered to be purchased under the Lock-Up Bid is less than 100% of the Voting Shares and/or Convertible Securities held by Independent Shareholders, where the number of Voting Shares and/or Convertible Securities to be purchased under such other Take-over Bid or transaction at a price or value per Voting Share or Convertible Security that is not less than the price or value per Voting Share or Convertible Security offered under the Lock-Up Bid:

(I) is greater than the number of Voting Shares and/or Convertible Securities that the Offeror has offered to purchase under the Lock-Up Bid; or

- (II) exceeds by as much as or more than a specified number (the “**Specified Number**”) the number of Voting Shares or Convertible Securities that the Offeror has offered to purchase under the Lock-Up Bid, provided that the Specified Number is not greater than 7% of the number of Voting Shares or Convertible Securities offered to be purchased under the Lock-Up Bid,

and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-Up Bid an opportunity to match a higher price or value in such other Take-over Bid or transaction or other similar limitation on a Locked-Up Person’s right to withdraw Voting Shares and/or Convertible Securities from the agreement and not tender such Voting Shares and/or Convertible Securities to the Take-over Bid to which the Locked-Up Person has agreed to deposit or tender, so long as the limitation does not preclude the exercise by the Locked-Up Person of the right to withdraw Voting Shares and/or Convertible Securities in sufficient time to tender during the period for acceptance of the other Take-over Bid or support the other transaction; and

- (iii) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of:
 - (A) the cash equivalent of 2.5% of the price or value of the consideration payable under the Lock-Up Bid to a Locked-Up Person; and
 - (B) 50% of the amount by which the price or value of the consideration paid under another Take-over Bid or transaction exceeds the price or value of the consideration that the Locked-Up Person would have received under the Lock-Up Bid,

shall be payable by such Locked-Up Person pursuant to the agreement if the Locked-Up Person fails to deposit or tender Voting Shares or Convertible Securities to the Lock-Up Bid, withdraws Voting Shares or Convertible Securities previously tendered thereto or supports another transaction;

(II) “**Person**” shall include any individual, body corporate, firm, partnership, association, trust, trustee, executor, administrator, legal personal representative, group, unincorporated organization, syndicate, government or governmental agency or instrumentality or other entity;

(mm) “**Privacy Laws**” shall have the meaning ascribed thereto in Section 6.21;

(nn) “**Pro Rata Acquisition**” shall mean an acquisition by a Person of Voting Shares and/or Convertible Securities as a result of or pursuant to:

- (i) a stock dividend, a stock split or other event pursuant to which a Person receives or acquires Voting Shares or Convertible Securities on the same pro rata basis as all other holders of the same class of Voting Shares or Convertible Securities;
- (ii) any dividend reinvestment plan or other plan made available by the Corporation to holders of all of its Voting Shares (other than holders resident in any jurisdiction where participation in such plan is restricted or impractical to the Corporation as a result of applicable law); or
- (iii) the receipt and/or exercise of rights (other than the Rights) issued by the Corporation to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares and/or Convertible Securities (other than holders resident in any jurisdiction where the distribution or exercise of such rights is restricted or impractical as a result of applicable law), provided that such rights are acquired directly from the Corporation and not from any other Person, and provided that the

Person does not thereby Beneficially Own a greater percentage of the Voting Shares so offered than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such acquisition;

- (oo) “**Record Time**” shall mean 12:01 a.m. (Vancouver time) on the Effective Date;
- (pp) “**Redemption Price**” shall have the meaning ascribed thereto in Section 6.1(a);
- (qq) “**Right**” shall mean a right to purchase a Common Share of the Corporation, upon the terms and subject to the conditions set out in this Agreement;
- (rr) “**Rights Agent**” shall mean TSX Trust Company and its successors or permitted assigns;
- (ss) “**Rights Certificates**” shall mean the certificates representing the Rights after the Separation Time, which shall be in the form attached hereto as Exhibit A;
- (tt) “**Rights Register**” and “**Rights Registrar**” shall have the respective meanings ascribed thereto in Section 2.3(a);
- (uu) “**Securities Act**” shall mean the *Securities Act* (British Columbia), as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations thereto;
- (vv) “**Separation Time**” shall mean, subject to Section 6.1(d), the close of business on the tenth Trading Day after the earlier of:
 - (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement of, the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid); and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such;or such later time as may be determined by the Board of Directors; provided that if the foregoing results in the Separation Time being prior to the Record Time, the Separation Time shall be the Record Time and provided further that, if any Take-over Bid referred to in Section 1.1(wv)(ii) expires, or is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this Section 1.1(wv), never to have been made;
- (ww) “**Stock Acquisition Date**” shall mean the date of the first public announcement (which, for purposes of this definition, shall include, without limitation, the filing of a report pursuant to section 5.2(1) of NI 62-104 or section 13(d) of the U.S. Exchange Act) by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person;
- (xx) “**Subsidiary**” a Person is a Subsidiary of another corporation if:
 - (i) it is controlled by (A) that other; or (B) that other and one or more Persons each of which is controlled by that other; or (C) two or more Persons, each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a Person that is that other’s Subsidiary;
- (yy) “**Take-over Bid**” shall mean an Offer to Acquire Voting Shares or other securities of the Corporation if, assuming that the Voting Shares or other securities of the Corporation subject to the Offer to Acquire are acquired at the date of such Offer to Acquire by the Person making such Offer to Acquire, the Voting Shares Beneficially Owned by the Person making the Offer to Acquire would constitute, in the aggregate, 20% or more of the Voting Shares of the Corporation then outstanding;

(zz) **“Trading Day”**, when used with respect to any securities, shall mean a day on which the principal stock exchange (as determined by volume of trading for the relevant 20 consecutive Trading Days) on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any stock exchange, a Business Day;

(aaa) **“Transferee”** shall have the meaning ascribed thereto in Section 4.1(b);

(bbb) **“U.S.-Canadian Exchange Rate”** shall mean, on any date:

- (i) if, on such date, the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; or
- (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in such manner as may be determined by the Board of Directors from time to time acting in good faith;

(ccc) **“U.S. Exchange Act”** shall mean the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations thereunder as from time to time in effect;

(ddd) **“U.S. Securities Act”** shall mean the United States *Securities Act of 1933*, as amended, and the rules and regulations thereunder as from time to time in effect;

(eee) **“Voting Share”** shall mean the Common Shares any other share in the capital of the Corporation to which is attached a right to vote for the election of all directors generally; and

(fff) **“Voting Share Reduction”** shall mean an acquisition or redemption by the Corporation or a Subsidiary of the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the percentage of outstanding Voting Shares Beneficially Owned by any Person to 20% or more of the Voting Shares then outstanding.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Descriptive Headings

Descriptive headings appear herein for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

1.4 Number and Gender

Wherever the context so requires, terms used herein importing the singular number only shall include the plural and vice-versa and words importing only one gender shall include all others.

1.5 References to Agreement

References to **“this Agreement”**, **“hereto”**, **“herein”**, **“hereby”**, **“hereunder”**, **“hereof”** and similar expressions refer to this Agreement as amended or supplemented from time to time and not to any particular Article or Section or other portion hereof and include any and every instrument supplemental or ancillary hereto.

1.6 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

(a) For the purposes of this Agreement, in determining the percentage of the outstanding Voting Shares with respect to which a Person is or is deemed to be the Beneficial Owner, all unissued Voting Shares of the Corporation of which such Person is deemed to be the Beneficial Owner shall be deemed to be outstanding.

(b) The percentage of outstanding Voting Shares Beneficially Owned by any Person shall, for the purposes of this Agreement, be and be deemed to be the product determined by the formula:

$$100 \times \frac{A}{B}$$

where:

- A* = the number of votes for the election of all directors generally attaching to the outstanding Voting Shares Beneficially Owned by such Person; and
- B* = the number of votes for the election of all directors generally attaching to all outstanding Voting Shares.

The percentage of outstanding Voting Shares represented by any particular group of Voting Shares acquired or held by any Person shall be determined in like manner *mutatis mutandis*.

1.7 Acting Jointly or in Concert

For purposes of this Agreement, a Person is acting jointly or in concert with its Affiliates and Associates and with every Person who is a party to an agreement, commitment, arrangement or understanding, whether formal or informal or written or unwritten, with the first Person, or with any other Person acting jointly or in concert with the first Person, to acquire or Offer to Acquire any Voting Shares or Convertible Securities (other than (i) customary agreements with and between the Corporation and underwriters and members of banking groups or selling groups with respect to a distribution of securities by the Corporation and (ii) pledges or hypothecations of securities granted as security in the ordinary course of business of the pledgee or hypothecate).

ARTICLE 2 **THE RIGHTS**

2.1 Legend on Certificates

Certificates for Common Shares issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence, in addition to the Common Shares, one Right for each Common Share evidenced thereby and shall have impressed on, printed on, written on or otherwise affixed to them, substantially the following legend:

UNTIL THE EARLIER OF THE SEPARATION TIME AND THE EXPIRATION TIME (AS DEFINED IN THE RIGHTS AGREEMENT REFERRED TO BELOW), THIS CERTIFICATE ALSO EVIDENCES AND ENTITLES THE HOLDER HEREOF TO CERTAIN RIGHTS AS SET FORTH IN A SHAREHOLDER RIGHTS PLAN AGREEMENT, DATED AS OF JULY 18, 2022 BETWEEN SABLE RESOURCES LTD (THE "**CORPORATION**") AND TSX TRUST COMPANY, AS RIGHTS AGENT, (AS THE SAME MAY BE AMENDED, RESTATED OR SUPPLEMENTED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS THEREOF) (THE "**RIGHTS AGREEMENT**") THE TERMS OF WHICH ARE HEREBY INCORPORATED HEREIN BY REFERENCE AND A COPY OF WHICH MAY BE INSPECTED DURING NORMAL BUSINESS HOURS AT THE PRINCIPAL EXECUTIVE OFFICES OF THE CORPORATION. UNDER CERTAIN CIRCUMSTANCES, AS SET FORTH IN THE RIGHTS AGREEMENT, SUCH RIGHTS MAY BE REDEEMED OR TERMINATED, MAY EXPIRE, MAY BECOME VOID (IF, IN CERTAIN CASES, THEY ARE "BENEFICIALLY OWNED" BY AN "ACQUIRING PERSON", AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT,

WHETHER CURRENTLY HELD BY OR ON BEHALF OF SUCH PERSON OR ANY SUBSEQUENT HOLDER) OR MAY BE EVIDENCED BY SEPARATE CERTIFICATES AND MAY NO LONGER BE EVIDENCED BY THIS CERTIFICATE. THE CORPORATION WILL MAIL OR ARRANGE FOR THE MAILING OF A COPY OF THE RIGHTS AGREEMENT TO THE HOLDER OF THIS CERTIFICATE WITHOUT CHARGE AS SOON AS IS PRACTICABLE AFTER THE RECEIPT OF A WRITTEN REQUEST THEREFOR.

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby, notwithstanding the absence of the foregoing legend until the earlier of the Separation Time and the Expiration Time.

2.2 Execution, Authentication, Delivery and Dating of Rights Certificates

(a) The Rights Certificates shall be executed on behalf of the Corporation by any of the Chair of the Board of Directors, the Chief Executive Officer, the President or any Vice- President, together with any other of such Persons or together with any one of the Secretary, the Treasurer, any Assistant Secretary or any Assistant Treasurer. The signature of any of the officers of the Corporation on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates.

(b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature and a disclosure statement describing the Rights, and the Rights Agent shall countersign such Rights Certificates in a manner satisfactory to the Corporation and deliver such Rights Certificates and disclosure statement to the holders of the Rights pursuant to Section 3.1(d). No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.

(c) Each Rights Certificate shall be dated the date of the countersignature thereof.

2.3 Registration, Registration of Transfer and Exchange

(a) After the Separation Time, the Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed the “**Rights Registrar**” for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times. After the Separation Time and prior to the Expiration Time, upon surrender for registration, but subject to the provisions of Section 2.3(c) and Section 4.1(b), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered. Alternatively, in the case of the exercise of Rights in Book Entry Form, the Rights Agent shall provide the holder or designated transferee or transferees with one or more statements issued under the Right Agent’s direct registration system evidencing the same aggregate number of Rights as did the direct registration system’s records for the Rights transferred or exchanged.

(b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

(c) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly

authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.3, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) in connection therewith.

2.4 Mutilated, Destroyed, Lost and Stolen Rights Certificates

(a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as the Rights Certificate so surrendered.

(b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time: (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate; and (ii) such security and indemnity as may be required by each of them, in their sole discretion, to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a *bona fide* purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as the Rights Certificate so destroyed, lost or stolen.

(c) As a condition to the issuance of any new Rights Certificate under this Section 2.4, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) in connection therewith.

(d) Every new Rights Certificate issued pursuant to Section 2.4(b) in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued by the Corporation.

2.5 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name such Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate or if no certificate evidences the Common Share registration, satisfactory evidence of the associated Common Share registration) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares) and the term “**certificate**”, when used in the context of a certificate representing Voting Shares or a Rights Certificate, shall include any document or written acknowledgement constituting evidence of book-entry ownership of the applicable securities as may be adopted from time to time by the Corporation.

2.6 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided for in this Section 2.6, except as expressly permitted by this Agreement. The Rights Agent shall destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation on request.

2.7 Agreement of Rights Holders

Every holder of Rights by accepting the same becomes a party to this Agreement and for greater certainty is bound by the provisions herein and consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

(a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of the Rights held;

(b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate representing such Right;

(c) that after the Separation Time, the Rights Certificates will be transferable only upon registration of the transfer on the Rights Register as provided herein;

(d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer or exchange, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

(e) that such holder of Rights has waived its right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as provided herein);

(f) that, subject to the provisions of Section 6.5, without the approval of any holder of Rights and upon the sole authority of the Board of Directors acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to and as provided herein; and

(g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by a governmental authority, prohibiting or otherwise restraining performance of such obligations.

2.8 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Right or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share which may at any time be issuable on the exercise of such Right, nor shall anything contained herein or in any Rights Certificate be construed or deemed to confer upon the holder of any Right or Rights Certificate, as such, any of the rights, titles, benefits or privileges of a shareholder of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any shareholder of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by any Rights Certificate shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3
EXERCISE OF THE RIGHTS

3.1 Initial Exercise Price; Exercise of Rights; Detachment of Rights

(a) Subject to adjustment as herein set forth, from and after the Separation Time and prior to the Expiration Time, each Right will entitle the holder thereof to purchase one Common Share for the Exercise Price (which Exercise Price and number of Common Shares are subject to adjustment as set forth below).

(b) Until the Separation Time:

- (i) the Rights shall not be exercisable and no Right may be exercised; and
- (ii) each Right will be evidenced by the certificate for the associated Common Share registered in the name of the holder thereof (which certificate shall also be deemed to be a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.

(c) From and after the Separation Time and prior to the Expiration Time:

- (i) the Rights shall be exercisable; and
- (ii) the registration and transfer of the Rights shall be separate from and independent of Common Shares.

(d) Promptly following the Separation Time, the Corporation will determine whether it wishes to issue Rights Certificates or whether it will maintain the Rights in Book Entry Form. In the event the Corporation determines to maintain the Rights in Book Entry Form, it will put in place such alternative procedures as are directed by the Rights Agent for the Rights to be maintained in Book Entry Form (the "**Book Entry Rights Exercise Procedures**"), it being hereby acknowledged that such procedures shall, to the greatest extent possible, replicate in all substantive respects the procedures set out in this Agreement with respect to the exercise of the Rights Certificates and the procedures set out in this Agreement shall be modified only to the extent necessary, as determined by the Rights Agent, to permit the Corporation to maintain the Rights in Book Entry Form. In such event, the Book Entry Rights Exercise Procedures shall be deemed to replace the procedures set out in this Agreement with respect to the exercise of Rights and all provisions of this Agreement referring to Rights Certificates shall be applicable to Rights registered in Book Entry Form in like manner as to Rights in certificated form. In the event that the Corporation determines to issue Rights Certificates, the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person or any other Person whose Rights are or become void pursuant to the provisions of Section 4.1(b) and other than, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a "**Nominee**")), and, in respect of each Convertible Security converted into Common Shares after the Separation Time and prior to the Expiration Time, promptly after such conversion, the Corporation will prepare or cause to be prepared and the Rights Agent will mail to the holder so converting (other than an Acquiring Person, any other Person whose Rights are or become void pursuant to the provisions of Section 4.1(b) and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the Nominees), at such holder's address as shown by the records of the Corporation (and the Corporation will furnish copies of such records to the Rights Agent for this purpose):

- (A) a Rights Certificate representing the number of Rights held by such holder at the Separation Time in substantially the form of Exhibit A hereto, appropriately completed and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule, regulation or judicial or administrative order

or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and

(B) a disclosure statement describing the Rights,

provided that a Nominee shall be sent the materials provided for in clauses (A) and (B) above only in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first Person to furnish such information and documentation as the Corporation deems necessary.

(e) Rights may be exercised in whole or in part on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent at its principal office in Toronto, Ontario or any other office of the Rights Agent designated for that purpose from time to time by the Corporation:

- (i) the Rights Certificate evidencing such Rights;
- (ii) an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate duly completed and executed by the holder or his or her executors or administrators or other personal representatives or his, her or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
- (iii) payment, by certified cheque, wire transfer, banker’s draft or money order payable to the order of the Rights Agent, of a sum equal to the applicable Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or other governmental charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for the relevant Common Shares in a name other than that of the holder of the Rights being exercised.

(f) In the event that the Corporation determines to issue Rights Certificates, then upon receipt of the Rights Certificate which is accompanied by a completed Election to Exercise that does not indicate that such Right is null and void as provided by Section 4.1(b) and payment as set forth in Section 3.1(e), the Rights Agent (unless otherwise instructed in writing by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:

- (i) requisition from a transfer agent for the relevant Common Shares, certificates representing the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agents to comply with all such requisitions);
- (ii) when appropriate, and subject to Section 6.4, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
- (iii) after receipt of such Common Share certificate, deliver the same to or to the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder;
- (iv) when appropriate, after receipt, deliver such cash referred to in Section 3.1(f)(ii) to or to the order of the registered holder of the Rights Certificate; and
- (v) tender to the Corporation all payments received on exercise of the Rights.

(g) In case the holder of any Rights exercises less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Section 6.4) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

(h) The Corporation covenants and agrees that it will:

- (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates representing such Common Shares or registration in Book Entry Form of such Common Shares (subject to payment of the Exercise Price), be duly and validly authorized, issued and delivered as fully paid and non-assessable;
- (ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the BCBCA, the *Securities Act*, the U.S. Securities Act, the U.S. Exchange Act and the applicable securities laws or comparable legislation of each of the other provinces and territories of Canada and states of the United States and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;
- (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal exchanges on which the Common Shares were traded immediately prior to the Stock Acquisition Date;
- (iv) cause to be reserved and kept available out of its authorized and unissued Common Shares the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
- (v) pay when due and payable any and all applicable federal and provincial transfer taxes and charges (for greater certainty, not including any income taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for or registration in Book Entry Form of Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or other governmental charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares or registration in Book Entry Form of Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and
- (vi) not, after the Separation Time, except as permitted by Section 6.1 or Section 6.5, take (or permit any Subsidiary of the Corporation to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

3.2 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number of Common Shares or other securities subject to purchase upon the exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 3.2 and in Section 4.1(a).

(a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:

- (i) declare or pay a dividend on the Common Shares payable in Common Shares or Convertible Securities other than pursuant to any dividend reinvestment program;
- (ii) subdivide or change the outstanding Common Shares into a greater number of Common Shares;
- (iii) combine or change the outstanding Common Shares into a smaller number of Common Shares; or
- (iv) issue any Common Shares or Convertible Securities in respect of, in lieu of or in exchange for existing Common Shares,

the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or other change, and the number of Common Shares or other securities, as the case may be, issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive, upon payment of the applicable Exercise Price then in effect, the aggregate number of Common Shares or other securities, as the case may be, which, if such Right had been exercised immediately prior to such date and at a time when the share transfer books of the Corporation were open, such holder would have been entitled to receive as a result of such dividend, subdivision, combination or reclassification.

(b) In case the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them to subscribe for or purchase (for a period expiring within 45 calendar days after such record date) Common Shares (or shares having the same rights, privileges and preferences as Common Shares (“**equivalent common shares**”)) or securities convertible into Common Shares or equivalent common shares at a price per Common Share or per equivalent common share (or having a conversion price per share, if a security convertible into Common Shares or equivalent common shares) less than 90% of the Market Price per Common Share on the second Trading Day immediately preceding such record date, the Exercise Price in respect of the Rights to be in effect after such record date shall be determined by multiplying the Exercise Price in respect of the Rights in effect immediately prior to such record date by a fraction: (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares and/or equivalent common shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such Market Price per Common Share; and (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares and/or equivalent common shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible). In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights. Such adjustment shall be made successively whenever such a record date is fixed and, in the event that such rights, options or warrants are not so issued or, if issued, are not exercised prior to the expiration thereof, the Exercise Price in respect of the Rights shall be re-adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed or, to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

(c) For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to a dividend reinvestment plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 90% of the then current market price per share (determined as provided in such plans) of the Common Shares.

(d) In case the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for a distribution to all holders of Common Shares (including any such distribution made in connection with a merger or amalgamation in which the Corporation is the continuing corporation) of evidences of indebtedness or assets, including cash (other than a dividend paid in the ordinary course or a dividend paid in Common Shares, but including any dividend payable in securities other than Common Shares), or subscription rights or warrants entitling them to subscribe for or purchase Common Shares (excluding those referred to in Section 3.2(b)) at a price per Common Share that is less than 90% of the Market Price per Common Share on the second Trading Day immediately preceding such record date, the Exercise Price in respect of the Rights to be in effect after such record date shall be determined by multiplying the Exercise Price in respect of the Rights in effect immediately prior to such record date by a fraction: (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of the Rights) of the portion of the cash, assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to a Common Share; and (ii) the denominator of which shall be such Market Price per Common Share. Such adjustments shall be made successively whenever such a record date is fixed and, in the event that such distribution is not so made, the Exercise Price in respect of the Rights shall be adjusted to be the Exercise Price in respect of the Rights which would have been in effect if such record date had not been fixed.

(e) Notwithstanding anything herein to the contrary, no adjustment in an Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such Exercise Price; provided, however, that any adjustments which by reason of this Section 3.2(e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 3.2 shall be made to the nearest cent or to the nearest ten-thousandth of a Common Share or other share, as the case may be. Notwithstanding the first sentence of this Section 3.2(e), any adjustment required by this Section 3.2 shall be made no later than the earlier of: (i) three years from the date of the transaction which mandates such adjustment; and (ii) the Expiration Time.

(f) If as a result of an adjustment made pursuant to Section 4.1(a), the holder of any Right thereafter exercised shall become entitled to receive any shares other than Common Shares, thereafter the number of such other shares so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as is practicable to the provisions with respect to the Common Shares contained in this Section 3.2, and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Corporation subsequent to any adjustment made to an Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the respective number of Common Shares, as the case may be, purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Corporation shall have exercised its election as provided in Section 3.2(i), upon each adjustment of an Exercise Price as a result of the calculations made in Section 3.2(b) and Section 3.2(d), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of Common Shares, as the case may be (calculated to the nearest one ten-thousandth), obtained by:

- (i) multiplying:
 - (A) the number of such Common Shares which would have been issuable upon the exercise of a Right immediately prior to this adjustment; by
 - (B) the relevant Exercise Price in effect immediately prior to such adjustment of the relevant Exercise Price; and
- (ii) dividing the product so obtained by the relevant Exercise Price in effect immediately after such adjustment of the relevant Exercise Price.

(i) The Corporation may elect, on or after the date of any adjustment of an Exercise Price, to adjust the number of Rights in lieu of any adjustment in the number of Common Shares purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of Common Shares for which such a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the relevant Exercise Price in effect immediately prior to adjustment of the relevant Exercise Price by the relevant Exercise Price in effect immediately after adjustment of the relevant Exercise Price. The Corporation shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the relevant Exercise Price is adjusted or any day thereafter, but, if the Rights Certificates have been issued, shall be at least 10 days later than the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to this Section 3.2(i), the Corporation shall, as promptly as is practicable, cause to be distributed to holders of record of Rights Certificates on such record date, Rights Certificates evidencing, subject to Section 6.4, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Corporation, shall cause to be distributed to such holders of record in substitution and replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Corporation, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates to be so distributed shall be issued, executed and countersigned in the manner provided for herein and may bear, at the option of the Corporation, the relevant adjusted Exercise Price and shall be registered in the names of holders of record of Rights Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in an Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the relevant Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.

(k) In any case in which this Section 3.2 shall require that an adjustment in an Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer, until the occurrence of such event, the issuance to the holder of any Right exercised after such record date of the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the relevant Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder a due bill or other appropriate instrument evidencing such holder's right to receive such additional Common Shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

(l) Notwithstanding anything in this Section 3.2 to the contrary, the Corporation shall be entitled to make such reductions in each Exercise Price, in addition to those adjustments expressly required by this Section 3.2, as and to the extent that in its good faith judgment the Board of Directors shall determine to be advisable in order that any: (i) consolidation or subdivision of Common Shares; (ii) issuance wholly for cash of any Common Share or securities that by their terms are convertible into or exchangeable for Common Shares; (iii) stock dividends; or (iv) issuance of rights, options or warrants referred to in this Section 3.2, hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.

(m) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon exercise of the Rights is made at any time after the Separation Time pursuant to this Section 3.2, the Corporation shall promptly:

- (i) file with the Rights Agent and with the transfer agent for the Common Shares a certificate specifying the particulars of such adjustment or change; and
- (ii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights;

provided that failure to file such certificate or cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

3.3 Date on Which Exercise Is Effective

Each Person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the relevant Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the relevant Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the holder of record of such Common Shares on, and such certificate shall be dated, the next succeeding Business Day on which the relevant Common Share transfer books of the Corporation are open.

ARTICLE 4 ADJUSTMENT TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

4.1 Flip-in Event

(a) Subject to Section 4.1(b), Section 6.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, each Right shall constitute, effective on and after the later of its date of issue and the close of business on the tenth Trading Day following the Stock Acquisition Date or such longer period as may be required to satisfy all applicable requirements of the Securities Act and the securities laws or comparable legislation of each of the other provinces and territories of Canada and, if applicable, of the United States of America and each of the states thereof, the right to purchase from the Corporation, upon payment of the relevant Exercise Price and otherwise exercising such Right in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of occurrence of such Flip-in Event equal to twice the relevant Exercise Price for an amount in cash equal to the relevant Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustments provided for in Section 3.2 upon each occurrence after the Stock Acquisition Date of any event analogous to any of the events described in Section 3.2).

(b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time and the Stock Acquisition Date by: (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or (ii) a transferee or other successor in title, directly or indirectly, (a “**Transferee**”) of Rights held by an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) that becomes a Transferee concurrently with or subsequent to the Acquiring Person becoming an Acquiring Person in a transfer that the Board of Directors has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any other Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person), that has the purpose or effect of avoiding this Section 4.1(b) shall become null and void without any further action, and any holder of such Rights (including any Transferee) shall not have any right whatsoever to exercise such Rights under any provision of this Agreement and shall not have thereafter any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set out in the Rights Certificate establishing that such Rights are not void under this Section 4.1(b) shall be deemed to be an Acquiring Person for the purposes of this Section 4.1(b) and such Rights shall become null and void.

(c) In the event that there shall not be sufficient Common Shares authorized for issuance to permit the exercise in full of the Rights in accordance with this Section 4.1, the Corporation shall take all such action as may be necessary to authorize additional Common Shares for issuance upon the exercise of the Rights.

(d) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 4.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the BCBCA, the *Securities Act*, the U.S. Securities Act, the U.S. Exchange Act, and the applicable securities laws or comparable legislation of each of the provinces and territories of Canada and states of the United States of America (and any other applicable jurisdiction), in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

(e) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either Section 4.1(b)(i) or Section 4.1(b)(ii) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence shall contain the following legend:

THE RIGHTS REPRESENTED BY THIS RIGHTS CERTIFICATE ARE OR WERE BENEFICIALLY OWNED BY A PERSON WHO WAS AN ACQUIRING PERSON OR AN AFFILIATE OR AN ASSOCIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR A PERSON WHO WAS ACTING JOINTLY OR IN CONCERT WITH AN ACQUIRING PERSON OR AN AFFILIATE OF AN ACQUIRING PERSON (INCLUDING, WITHOUT LIMITATION, A PERSON WHO HAS ENTERED INTO AN AGREEMENT OR ARRANGEMENT TO SELL SHARES TO AN ACQUIRING PERSON). THIS RIGHTS CERTIFICATE AND THE RIGHTS REPRESENTED HEREBY ARE VOID OR SHALL BECOME VOID IN THE CIRCUMSTANCES SPECIFIED IN SECTION 4.1(b) OF THE RIGHTS AGREEMENT.

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such Person is not a Person described in such legend.

ARTICLE 5 **THE RIGHTS AGENT**

5.1 General

(a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint one or more co-rights agents (each, a “**Co-Rights Agent**”) as it may deem necessary or desirable, subject to the prior written approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agents and Co-Rights Agents will be as the Corporation may determine with the written approval of the Rights Agent and the Co-Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder or otherwise agreed to with the Corporation in writing and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and disbursements of any expert or advisor retained by the Rights Agent with the prior approval of the Corporation, such approval not to be unnecessarily withheld). The Corporation also agrees to indemnify the Rights Agent, and its officers, directors, employees, Affiliates and agents for, and to hold it and them harmless against any loss, liability, cost, claim, action, damage, demand, suit, penalty, levy,

disbursement or expense, including legal fees and disbursements of whatever kind or nature, incurred without gross negligence, bad faith or wilful misconduct on the part of the Rights Agent or its directors, officers, employees, Affiliates and agents, for anything done, suffered or omitted by the Rights Agent or such persons in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement and the resignation or removal of the Rights Agent. In the event of any disagreement arising regarding the terms of this Agreement, the Rights Agent shall be entitled, at its option, to refuse to comply with any and all demands whatsoever until the dispute is settled either by written agreement between the parties to this Agreement or by a court of competent jurisdiction.

(b) The Corporation will inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, will provide to the Rights Agent an incumbency certificate with respect to the then current directors of the Corporation, provided that failure to inform the Rights Agent of any such events, or any defect therein, will not affect the validity of any action taken hereunder in relation to such events.

(c) The Rights Agent will be protected and will incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any Common Share registration confirmed in writing by the transfer agent of the Corporation (unless such transfer agent is the Rights Agent or any Affiliate thereof), any certificate or other evidence of ownership for Common Shares, Rights Certificate, certificate or other evidence of ownership for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons. The Rights Agent need not investigate any fact or matter stated in any such document, but it may, in its discretion, make such further inquiry or investigation into such facts or matters as it may see fit.

(d) None of the provisions contained in this Agreement shall require the Rights Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified and funded as foresaid.

(e) The Rights Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, bad faith or willful misconduct.

5.2 Merger or Amalgamation or Change of Name of Rights Agent

(a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or to which all or substantially all of its corporate trust business is sold or otherwise transferred, or any Corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 5.4. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

(b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates have been countersigned but not delivered, the Rights Agent may adopt the

countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

5.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, will be bound:

(a) the Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information, instructions or for any other reason whatsoever, the Rights Agent, acting reasonably, determines that such act is conflicting with or contrary to the terms of this Agreement or the law or regulation of any jurisdiction or any order or directive of any court, governmental agency or other regulatory body;

(b) the Rights Agent may retain and consult (at the Corporation's expense) with legal counsel (who may be legal counsel for the Corporation) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights Agent may also, with the approval of the Corporation (where such approval may reasonably be obtained and such approval not to be unreasonably withheld), retain and consult with such other experts or advisors as the Rights Agent considers necessary or appropriate to properly carry out the duties and obligations imposed under the agreement (at the expense of the Corporation) and the Rights Agent will be entitled to act and rely and shall be protected in so acting and relying in good faith on the advice of any such expert or advisor;

(c) whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof is specifically prescribed in this Agreement) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be a director, the Chief Executive Officer or the Chief Financial Officer of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate;

(d) nothing in this Agreement shall be construed as relieving the Rights Agent from liability for its own gross negligence, bad faith or wilful misconduct;

(e) the Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only;

(f) the Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 4.1(b)) or any adjustment required under the provisions of Section 3.2 or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by section 3.2 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this

Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;

(g) the Corporation will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement;

(h) the Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any Person designated in writing by the Corporation, and to apply to such Persons for advice or instructions in connection with its duties, and it will not be liable for any action taken, omitted or suffered by it in good faith in accordance with the instructions of any such Persons. It is understood that instructions to the Rights Agent shall, except where circumstances make it impractical or the Rights Agent otherwise agrees, be given in writing (including by e-mail) and, where not in writing, such instructions shall be confirmed in writing (including by e-mail) as soon as is reasonably practicable after the giving of such instructions;

(i) the Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein will preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity; and

(j) the Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in good faith in the selection and continued employment thereof.

5.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice in writing (or such lesser notice as is acceptable to the Corporation) mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail, and to the holders of Rights in accordance with Section 6.8, all of which will be at the Corporation's expense. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 6.8. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 60 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of any Rights (which holder, with such notice, must submit such holder's Rights Certificate for inspection by the Corporation), then the outgoing Rights Agent or holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Corporation's expense. Any successor Rights Agent, whether appointed by the Corporation or by such a court, must be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon payment by the Corporation to the predecessor Rights Agent of all outstanding fees and expenses owing by the Corporation to the predecessor Rights Agent pursuant to this Agreement, will deliver and transfer to the successor Rights Agent any property at the time held by it hereunder and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail or cause to be mailed a notice thereof in writing to the holders of the Rights. Failure to give any notice provided

for in this Section 5.4, however, or any defect therein, will not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

5.5 Compliance with Anti-Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline. Further, should the Rights Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

5.6 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

ARTICLE 6 MISCELLANEOUS

6.1 Redemption and Waiver

(a) Until the occurrence of a Flip-in Event as to which the application of Section 4.1 has not been waived pursuant to this Section 6.1, the Board of Directors may, with the prior consent of the holders of Voting Shares or the holders of Rights given in accordance with Section 6.1(i) or Section 6.1(j), as the case may be, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right, rounded down to the nearest whole cent for each holder of Rights, appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 3.2, if an event of the type analogous to any of the events described in Section 3.2 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").

(b) Until the occurrence of a Flip-in Event as to which the application of Section 4.1 has not been waived pursuant to this Section 6.1, upon written notice to the Rights Agent, the Board of Directors, with the prior consent of the holders of Voting Shares given in accordance with Section 6.1(j), may determine, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to all holders of Voting Shares and otherwise than in the circumstances set forth in Section 6.1(d), to waive the application of Section 4.1 to such Flip-in Event. If the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than ten Business Days following the meeting of shareholders called to approve such waiver.

(c) Until the occurrence of a Flip-in Event as to which the application of Section 4.1 has not been waived pursuant to this Section 6.1, upon written notice delivered to the Rights Agent, the Board of Directors may determine to waive the application of Section 4.1 to any Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by take-over bid circular sent to all holders of Voting Shares and provided further that if the Board of Directors waives the application of Section 4.1 to such Flip-in Event, the Board of Directors shall be deemed to have waived the application of Section 4.1 to any other Flip-in Event occurring by reason of any Take-over Bid made by take-over bid circular to all holders of Voting Shares which is made prior to the expiry of any Take-over Bid (as the same may be

extended from time to time) made by take-over bid circular in respect of which a waiver is, or is deemed to have been, granted under this Section 6.1(c).

(d) The Board of Directors may, following a Stock Acquisition Date and prior to the Separation Time, upon written notice to the Rights Agent, waive the application of Section 4.1 in respect of any Flip-in Event, provided that the Board of Directors has determined that the Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person. Any such waiver pursuant to this Section 6.1(d) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the “**Disposition Date**”), has reduced its Beneficial Ownership of Voting Securities such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 4.1 shall apply thereto. Subject to the foregoing, in the event of any such waiver, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred and the Separation Time shall be deemed not to have occurred as a result of such Person having inadvertently become an Acquiring Person.

(e) The Board of Directors shall be deemed to have elected to redeem, without further formality, the Rights at the Redemption Price on the date that a Person that has made a Permitted Bid, a Competing Permitted Bid or Take-over Bid in respect of which the Board of Directors has waived, or is deemed to have waived, pursuant to this Section 6.1, the application of Section 4.1, takes up and pays for Voting Shares pursuant to the terms and conditions of such Permitted Bid, Competing Permitted Bid or Take-over Bid, as the case may be.

(f) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the then outstanding Rights, without the consent of the holders of Voting Shares or the holders of Rights, as the case may be, at the Redemption Price and reissue Rights under this Agreement to holders of record of Common Shares immediately following the time of such redemption and, thereafter, all of the provisions of this Agreement shall continue in full force and effect and such Rights, without any further formality, shall be attached to the outstanding Voting Shares in the same manner as prior to the occurrence of such Separation Time.

(g) If the Board of Directors elects or is deemed to have elected to redeem the Rights and, in circumstances in which Section 6.1(a) is applicable, such redemption is approved by the holders of Voting Shares or the holders of Rights in accordance with Section 6.1(j) or Section 6.1(k), as the case may be, the right to exercise the Rights will thereupon, without further action and without notice, terminate, and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.

(h) Within 10 Business Days after the Board of Directors electing or having been deemed to have elected to redeem the Rights or, if Section 6.1(a) applies, within 10 Business Days after the holders of Voting Shares or the holders of Rights have approved the redemption of Rights in accordance with Section 6.1(i) or Section 6.1(j), as the case may be, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at such holder’s last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 6.1, and other than in connection with the purchase of Common Shares prior to the Separation Time.

(i) If a redemption of Rights pursuant to Section 6.1(a) or a waiver of a Flip-in Event pursuant to Section 6.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Voting Shares. Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent

Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the Corporation's articles.

(j) If a redemption of Rights pursuant to Section 6.1(a) is proposed at any time after the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by holders of Rights by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) (inclusive) of the definition of Independent Shareholders or whose Rights have become null and void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's articles and the BCBCA with respect to meetings of shareholders of the Corporation.

(k) The Corporation shall not be obligated to make a payment of the Redemption Price to any holder of Rights unless the holder is entitled to receive at least \$1.00 in respect of all Rights held by such holder.

6.2 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 5.1.

6.3 Issuance of New Rights Certificate

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

6.4 Fractional Rights and Fractional Shares

(a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Rights Certificates with regard to which such fractional Right would otherwise be issuable, an amount in cash equal to the fraction of the Market Price of a whole Right that the fraction of a Right which would otherwise be issuable is of one whole Right.

(b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of a whole Common Share that the fraction of a Common Share which would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.

(c) The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Common Shares pursuant to Section 6.4(a) or Section 6.4(b), respectively, unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Common Shares, as the case may be.

6.5 Supplements and Amendments

(a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or, subject to Section 6.5(e), which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. The Corporation may, after delivery to the shareholders of the Corporation of the applicable meeting materials and the public filing of a copy of the Agreement and up to five days prior to the date of the applicable shareholders' meeting of the Corporation referred to in Section 6.15, or any adjournment or postponement

thereof, to be held for shareholders of the Corporation to consider and, if deemed advisable, to adopt a resolution approving, ratifying and confirming this Agreement and the Rights issued or issuable or any renewal hereof pursuant hereto, supplement or amend this Agreement without the approval of any holders of Rights or Voting Shares in order to make any changes which the Board of Directors acting in good faith may deem necessary or desirable; provided that the Corporation shall promptly notify the shareholders of any such change by generally disseminating a news release through a widely circulated news or wire service. Notwithstanding anything in this Section 6.5 to the contrary, no such supplement or amendment shall be made to the provisions of Article 5 except with the written concurrence of the Rights Agent to such supplement or amendment.

(b) Subject to Section 6.5(a), the Corporation may, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time prior to the Separation Time, supplement or amend any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Voting Shares duly called and held in compliance with applicable laws and the articles and by-laws of the Corporation.

(c) Subject to Section 6.5(a), the Corporation may, with the prior consent of the holders of Rights, at any time on or after the Separation Time, supplement or amend any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such supplement or amendment shall be made to the provisions of Article 5 except with the written concurrence of the Rights Agent thereto.

(d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) inclusive of the definition of Independent Shareholders or whose Rights have become null and void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the BCBCA with respect to meetings of shareholders of the Corporation.

(e) Any amendments made by the Corporation to this Agreement pursuant to Section 6.5(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rule or regulation thereunder shall:

- (i) if made before the Separation Time, be submitted to the holders of Voting Shares of the Corporation at the next meeting of shareholders, and the holders of Voting Shares may, by the majority referred to in Section 6.5(b) confirm or reject such amendment; and
- (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Section 6.5(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was

not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent amendment to this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights, as the case may be.

(f) The Corporation shall give notice in writing to the Rights Agent of any amendment or supplement to this Agreement pursuant to Section 6.5 within five Business Days of the date of any such amendment or supplement, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement or amendment.

6.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against, actual or threatened violations of, the obligations of any Person subject to this Agreement.

6.7 Notice of Proposed Actions

If the Corporation proposes after the Separation Time and prior to the Expiration Time:

(a) to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event; or

(b) to effect the liquidation, dissolution or winding-up of the Corporation or the sale of all or substantially all of the Corporation's assets, then, in each case, the Corporation shall give to each holder of a Right, in accordance with Section 6.8, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution or winding-up is to take place, and such notice shall be so given at least 20 Business Days prior to the date of taking such proposed action.

6.8 Notices

(a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation will be sufficiently given or made if delivered or sent by email or by first-class mail, postage prepaid, addressed (until another email address or address is filed in writing with the Rights Agent) as follows::

Sable Resources Ltd.
999 West Hastings Street
Suite 900
Vancouver, BC V6C 2W2

Attention: President and Chief Executive Officer
Email: ruben.padilla@sableresources.com

(b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent will be sufficiently given or made if delivered or sent by email or by first-class mail, postage prepaid, addressed (until another email address or address is filed in writing with the Corporation) as follows:

TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, Ontario M5H 4H1

Attention: Vice President, Corporate Trust Service
Email: tmxestaff-corporatetrust@tmx.com

(c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights will be sufficiently given or made if delivered or sent by email (if such holder has consented to receive notices or demands by email) or first-class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the notice.

(d) Any notice given or made in accordance with this Section 6.8 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of sending by facsimile or other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

(e) If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 6.8, give such notice by means, of publication once in each of two successive weeks in the business section of the Financial Post and, so long as the Corporation has a transfer agent in the United States, in a daily publication in the United States designated by the Corporation, or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

(f) A requirement under this Agreement that a notice, document or other information be given or made in writing may be satisfied by the Corporation or the Rights Agent by providing an electronic notice, document or other information in accordance with the BCBCA, the *Electronic Transactions Act* (British Columbia) and other applicable laws. An electronic document is deemed to have been received when it enters the information system designated by the addressee or, if the notice, document or information is posted on or made available through a generally accessible electronic source, when the addressee receives notice in writing of the availability and location of that electronic notice, document or information or, if such notice is sent electronically, when it enters the information system designated by the addressee. Accidental error or omission in giving notice or accidental failure to mail notice to any holders of the Rights will not invalidate any action or proceeding founded thereon.

6.9 Costs of Enforcement

The Corporation agrees that if it or any other Person the securities of which are purchasable upon exercise of Rights fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation or such Person will reimburse the holder of any Rights for the costs and expenses (including reasonable legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

6.10 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

6.11 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

6.12 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of British Columbia and for all purposes shall be governed by and construed in accordance with the laws of such province applicable to contracts to be made and performed entirely within such province.

6.13 Counterparts

This Agreement may be executed and delivered, including by electronic means, in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts will be construed together to be an original and will constitute one and the same agreement. Each of the parties hereto shall be entitled to rely on delivery of a facsimile or PDF copy of this Agreement and acceptance by each such party of any such facsimile or PDF copy shall be legally effective to create a valid and binding agreement between the parties hereto in accordance with the terms hereof.

6.14 Severability

If any Section, term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such Section, term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining Sections, terms and provisions hereof or the application of such Section, term or provision to circumstances other than those as to which it is held invalid or unenforceable.

6.15 Effective Date

(a) This Agreement is effective and in full force and effect in accordance with its terms from and after the Effective Date. Notwithstanding the foregoing, if this Agreement is not approved by resolution passed by a majority of the votes cast by shareholders of the Corporation (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) who vote in respect of such approval at the 2022 annual meeting of shareholders of the Corporation (and in any case on or before January 18, 2023), then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect from and after the end of such annual meeting of the shareholders of the Corporation.

(b) This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by Independent Shareholders present or represented by proxy at a meeting of shareholders of the Corporation at the third annual meeting following each shareholders' meeting at which this Agreement is either ratified or reconfirmed. If this Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of such annual meeting; provided that the termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 6.1(b), Section 6.1(c), or Section 6.1(d)), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 6.15.

6.16 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors in good faith in connection with this Agreement (i) may be relied on by the Rights Agent and (ii) will not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

6.17 Time of the Essence

Time shall be of the essence in this Agreement.

6.18 Regulatory Approvals

Any obligation of the Corporation or action contemplated by this Agreement, including any amendment hereto, shall be subject to the receipt of any requisite approval or consent from any applicable regulatory authority including, without limiting the generality of the foregoing, any necessary approvals of the TSX Venture Exchange or any other stock exchange.

6.19 Declaration as to Non-Canadian and Non-U.S. Holders

If, in the opinion of the Board of Directors (who may rely upon the advice of counsel), any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada or the United States of America, the Board of Directors acting in good faith shall take such actions as it may deem appropriate to ensure compliance. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States, in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

6.20 Fiduciary Duties of the Directors

Nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of the Voting Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to shareholders that the directors believe are necessary or appropriate in the exercise of their fiduciary duties.

6.21 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

6.22 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 6.22.

6.23 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

SABLE RESOURCES LTD.

By: (signed) "Ruben Padilla"
Name: Ruben Padilla
Title: President and CEO

By: (signed) "Kelso Cartwright"
Name: Kelso Cartwright
Title: CFO

TSX TRUST COMPANY

By: (signed) "Sumit Khanna"
Name: Sumit Khanna
Title: Corporate Trust Officer

By: (signed) "Donald Crawford"
Name: Donald Crawford
Title: Senior Trust Officer

EXHIBIT A
SABLE RESOURCES LTD.
FORM OF RIGHTS CERTIFICATE

Certificate No. _____

_____ Rights

RIGHTS CERTIFICATE

This certifies that _____ is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement dated as of July 18, 2022, as the same may be amended, restated or supplemented from time to time (the "**Rights Agreement**") between Sable resources Ltd., a corporation existing under the laws of the Province of British Columbia (the "**Corporation**") and TSX Trust Company, a corporation existing under the laws of Canada, as rights agent (the "**Rights Agent**", which term shall include any successor Rights Agent under the Rights Agreement) to purchase from the Corporation at any time after the Separation Time and prior to the Expiration Time (as such terms are defined in the Rights Agreement), one fully paid Common Share of the Corporation (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise and Declaration of Ownership duly executed and submitted to the Rights Agent at its principal office in Toronto, Ontario or any other office of the Rights Agent designated for that purpose for time to time by the Rights Agent. Until adjustment thereof in certain events as provided in the Rights Agreement, the Exercise Price shall be: (a) until the Separation Time, an amount equal to three times the Market Price (as such term is defined in the Rights Agreement), from time to time, per Common Share; and (b) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.

In certain circumstances described in the Rights Agreement, each Right evidenced hereby may entitle the registered holder thereof to purchase more or less than one Common Share, all as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the registered office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Rights Certificate may be, and under certain circumstances are required to be, redeemed by the Corporation at a Redemption Price of \$0.00001 per Right.

No fractional Common Shares will be issued upon the exercise of any Right or Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders of the Corporation at any meeting

thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders of the Corporation (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been manually countersigned by the Rights Agent.

WITNESS the facsimile or electronic signature of the proper officers of the Corporation and its corporate seal.

Date: _____

SABLE RESOURCES LTD.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

Countersigned:

TSX TRUST COMPANY

By: _____
Authorized Signatory

FORM OF ELECTION TO EXERCISE

TO: SABLE RESOURCES LTD.

AND TO: TSX TRUST COMPANY

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares issuable upon the exercise of such Rights and requests that certificates for such Common Shares be issued to:

Name

Address

City and Province

Social Insurance Number or other taxpayer identification number

Dated: _____

Signature

Signature Guaranteed:

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by an "Eligible Institution", i.e., a Canadian Schedule I chartered bank or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including certain trust companies in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in Canada or the United States.

(To be completed if true)

The undersigned hereby represents, for the benefit of the Corporation and all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or any other Person acting jointly or in concert with any of the foregoing (as such terms are defined in the Rights Agreement).

Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desired to transfer the Rights Certificate)

FOR VALUE RECEIVED _____

hereby sells, assigns and transfers unto _____

(Please print name and address of transferee)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature

Signature Guaranteed:

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by an "Eligible Institution", i.e., a Canadian Schedule I chartered bank or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including certain trust companies in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in Canada or the United States.

(To be completed if true)

The undersigned hereby represents, for the benefit of the Corporation and all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or any other Person acting jointly or in concert with any of the foregoing (as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth above in the Forms of Assignment and Election is not completed, the Corporation will deem the Beneficial Owner of the Rights evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and accordingly such Rights will be null and void.