

SHOAL POINT ENERGY LTD.

#203-700 West Pender Street, Vancouver, BC V6C 1G8
Tel: 416 637 2181

MANAGEMENT INFORMATION CIRCULAR

(This document contains information as at September 10, 2020 and all amounts are in Canadian dollars, unless otherwise indicated.)

GENERAL PROXY INFORMATION

This Management Information Circular is furnished to the shareholders (the “Shareholders”) of Shoal Point Energy Ltd. (the “Company”) by the management of the Company (the “Management”) in connection with the solicitation of proxies to be voted at the Annual and Special Meeting (the “Meeting”) of the Shareholders to be held on Thursday, October 15, 2020 at 10:00 a.m. PST at the offices of the Company situated at Suite 203, 700 West Pender Street, Vancouver, BC V6C 1G8.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, regular officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

APPOINTMENT, VOTING AND REVOCATION OF PROXY

Appointment of Proxy

Registered shareholders as of September 10, 2020, the record date, are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “Designated Persons”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. at their offices located at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be delivered to the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Voting

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before

the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Revocation

In addition to revocation in any other manner permitted by law, a proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date, executed by the registered shareholder or by its attorney authorized in writing, and by depositing such instrument at the office of the transfer agent indicated on the enclosed envelope not later than 5:00 p.m. (Toronto time) on the last business day (which excludes Saturdays, Sundays and statutory holidays in Toronto) before the date of the Meeting (or any adjournment or postponement thereof), or in any other manner permitted by law. However, the revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

A Beneficial Shareholder (as defined below) who has submitted a proxy may revoke it by contacting the intermediary through which the Beneficial Shareholder's Common Shares are held and following the instructions of the intermediary respecting the revocation of proxies.

Beneficial Holders

The information set out in this section is of significant importance to those Shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities, which acts as nominee for many Canadian broker firms.) Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. With specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent to the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of

the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

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

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), of the Canadian Securities Administrators. An objecting beneficial owner is a beneficial owner of securities that has provided instructions to the intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under NI 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to shareholders in this Information Circular and the accompanying instrument of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

Registered Shareholders

Registered holders of Common Shares as shown on the shareholders list prepared as of September 10, 2020 (the “**Record Date**”) will be entitled to vote such shares at the Meeting on the basis of one vote for each Common Share held.

Registered shareholders may also, rather than returning the proxy received from the Company by mail or hand delivery, elect to submit a form of proxy by use of the telephone or of the Internet. Those registered holders electing to vote by telephone require a touch-tone telephone to transmit their voting preferences.

Registered holders electing to vote by telephone or via Internet must follow the instructions included in the form of proxy received from the Company.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

In the absence of such direction, such Common shares will be voted FOR the election of Directors, FOR the appointment of the auditors, and FOR the approval of the special resolution authorizing the Board of Directors to amend the articles of incorporation to consolidate its outstanding common shares on an up to one (new) for ten (old) basis.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no: (a) person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year; (b) proposed nominee for election as director of the Company; and (c) 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 of the matters to be acted upon other than the election of directors and the appointment of auditors.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the Record Date, the Company had outstanding **65,046,120** Common Shares. Each Common Share carries one vote per share. To the knowledge of the directors and officers of the Company, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over securities carrying in excess of 10% of the voting rights to any class of outstanding voting securities of the Company other than Mark Jarvis, the CEO, who owns or controls 8,551,932 shares, representing 13.1% of the outstanding Common Shares of the Company.

Persons registered on the books of the Company at the close of business on the Record Date and persons who are transferees of any shares acquired after such record date and who have produced properly endorsed certificates evidencing such shares or who otherwise establish ownership thereof and demand, not later than 10 days before the Meeting, that their names be included in the list of shareholders, are entitled to vote at the Meeting of the Company.

PARTICULARS OF THE MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The Company's annual audited financial statements for the years ended January 31, 2020 and 2019 have been forwarded to Shareholders, together with the Information Circular. No formal action will be taken at the Meeting to approve the financial statements with the requirements of the Business Corporations Act (*Ontario*) having been met with the advance circulation of the financial statements. If Shareholders have questions respecting the financial statements, the questions will be addressed during the "Other Business" portion of the Meeting.

Appointment and Remuneration of Auditors

Shareholders will be asked to vote for an ordinary resolution to appoint Crowe Mackay LLP, Chartered Professional Accountants of Vancouver, British Columbia, as the auditors of the Company until the next annual general meeting of the Shareholders and to authorize the Board to fix their remuneration.

UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF CROWE MACKAY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE

SHAREHOLDERS AND TO AUTHORIZE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION.

Election of Directors

The directors of the Company are elected at each annual general meeting of the Company and hold office until the next annual general meeting or until their successors are elected or appointed, unless the director's office is earlier vacated in accordance with the Company's Articles or applicable corporate statutes.

The Shareholders will be asked to pass an ordinary resolution to fix the number of directors of the Company at three (3). Management of the Company proposes to nominate each of the following persons for re-election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Nominee Position with the Company and Residence	Principal Occupation for the Past Five Years	Director of the Company Since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly	Committee Membership
Mark Jarvis ⁽⁴⁾ British Columbia, Canada CEO and Director	Businessman; Chairman, President and CEO of the Company and President and CEO of Giga Metals Corp. (formerly Hard Creek Nickel Corp.) from January 2004 to present.	June 28, 2013	8,551,932	Nomination Committee Disclosure Committee Audit Committee
Eric Schneider ⁽³⁾ Waterloo, Ontario Director	Partner of Miller Thomson LLP since January 2002.	June 28, 2013	124,272	Compensation Committee Audit Committee Nomination Committee Disclosure Committee
Brian Usher-Jones ^{(2) (5)} Toronto, Ontario Director	Merchant banker since 1995	December 16, 2013	173,333	Audit Committee Compensation Committee

- (1) The information as to security holdings of each director has been provided by the respective proposed directors and nominees and is not within the Company's knowledge.
- (2) Chairman of the Audit Committee
- (3) Chairman of the Nomination Committee
- (4) Chairman of the Disclosure Committee
- (5) Chairman of the Compensation Committee

Management recommends shareholders to vote for the nominees for re-election as directors.

UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF A RESOLUTION TO ELECT AND APPOINT MARK JARVIS, ERIC SCHNEIDER AND BRIAN USHER-JONES AS DIRECTORS OF THE COMPANY.

Orders

Except as otherwise disclosed in this Information Circular, no director or proposed director of the Company is, or within the ten years prior to the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any Company (including the Company) that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

No proposed director of the Company is, or was, within the ten (10) years before the date of this Information Circular, a director or an executive officer of any Company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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.

No proposed director of the Company has, within the ten (10) years before the date of this Information Circular, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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.

Penalties or Sanctions

No proposed director of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (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.

Stock Option Plan

The Shareholders will be asked to ratify, confirm and approve the form of Stock Option Plan for the Company and unallocated options issuable pursuant to the stock option plan (the “Plan”). See Appendix “B”.

UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF A RESOLUTION APPROVING THE STOCK OPTION PLAN AS PRESENTED TO THE SHAREHOLDERS AT THE MEETING.

General

For the purpose of this Statement of Executive Compensation:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“CEO”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“CFO”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Mark Jarvis, ⁽¹⁾⁽²⁾ Director and CEO	2020	60,000	Nil	Nil	Nil	39,145	99,145
	2019	56,250	Nil	Nil	Nil	24,328	80,578
Leslie Young, ⁽³⁾ Corporate Secretary	2020	31,200	Nil	Nil	Nil	13,049	44,249
	2019	31,200	Nil	Nil	Nil	12,164	43,364
Natasha Tsai CFO ⁽⁴⁾	2020	11,517	Nil	Nil	Nil	646	12,163
	2019	13,990	Nil	Nil	Nil	4,218	18,208
Brian Fiddler ⁽⁵⁾ Former CFO	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	14,161	Nil	Nil	Nil	12,164	26,325
Eric Schneider Director	2020	Nil	Nil	Nil	Nil	3,208	3,208
	2019	Nil	Nil	Nil	Nil	24,328	24,328
Brian Usher-Jones Director	2020	Nil	Nil	Nil	Nil	3,208	3,208
	2019	Nil	Nil	Nil	Nil	24,328	24,328

- (1) Mark Jarvis was appointed Chief Executive Officer of the Company on June 28, 2013.
- (2) Effective April 16, 2018 Mr. Jarvis' salary was increased to \$5,000 per month from \$3,500 per month
- (3) Leslie Young was appointed as Corporate Secretary of the Company on June 28, 2013.
- (4) Natasha Tsai was appointed Chief Financial Officer of the Company on April 19, 2018.
- (5) Brian Fiddler ceased to be CFO on April 15, 2018.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Company or any subsidiary thereof in the year ended January 31, 2020 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

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
Mark Jarvis, ⁽¹⁾ Director and CEO	Stock Options	500,000	March 15, 2018	0.07	0.05	0.05	March 15, 2023
Leslie Young, ⁽²⁾ Corporate Secretary	Stock Options	250,000	March 15, 2018	0.07	0.05	0.05	March 15, 2023
Natasha Tsai ⁽³⁾ CFO	Stock Options	100,000	March 15, 2018	0.07	0.05	0.05	March 15, 2023
Eric Schneider ⁽⁴⁾ Director	Stock Options	500,000	March 15, 2018	0.07	0.05	0.05	March 15, 2023
Brian Usher-Jones ⁽⁵⁾ Director	Stock Options	500,000	March 15, 2018	0.07	0.05	0.05	March 15, 2023
Brian Fiddler, ⁽⁶⁾ former CFO	Stock Options	250,000	March 15, 2018	0.07	0.05	0.05	April 15, 2019

Notes:

Effective February 7, 2018, the Company consolidated its common shares on the basis of one new common share for every twenty-five old common shares issued and outstanding at that time. The value of unexercised in-the-money options is calculated using the closing price of the Common Shares on the CSE on January 31, 2018 of \$0.125 (post-share consolidation) and subtracting the exercise price (post-share consolidation) of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

- (1) As at January 31, 2019, Mr. Jarvis held 500,000 stock options which stock options are exercisable at \$0.07 per share until expiry on March 15, 2023;
- (2) As of January 31, 2019, Ms. Young held 250,000 stock options which stock options are exercisable at \$0.07 per share until expiry on March 15, 2023.
- (3) As of January 31, 2019, Ms. Tsai held 100,000 stock options which stock options are exercisable at \$0.07 per share until March 15, 2023.
- (4) As of January 31, 2019, Mr. Schneider held 500,000 stock options which stock options are exercisable at \$0.07 per share until March 15, 2023.

- (5) As of January 31, 2019, Mr. Usher-Jones held 500,000 stock options which stock options are exercisable at \$0.07 per share until March 15, 2023.
- (6) Mr. Fiddler ceased to be CFO on April 15, 2018. Mr. Fiddler's stock options expired April 15, 2019.

Exercise of Compensation Securities by Directors and NEOs

No director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended January 31, 2020.

Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "Plan") is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase shares of the Company. As at the date hereof, there are 6,504,612 options outstanding under the Plan.

A copy of the Plan is available for review on the Company's profile at www.sedar.com and at the office of the Company at Suite 203 – 700 West Pender, Vancouver, British Columbia, V6C 1G8 or at the registered offices of the Company, at Borden Ladner Gervais, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, Toronto, Ontario M5H 4E3 during normal business hours up to and including the date of the Meeting.

Stock Appreciation Rights and Restricted Shares

No stock appreciation rights or restricted shares of the Company were granted by the Company to the NEOs of the Company during the year ended January 31, 2020.

Employment, Consulting and Management Agreements

For the year ended January 31, 2020, the Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

Oversight and Description of Director and NEO Compensation

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

Pension Plan Benefits

The Company does not have any pension or retirement plans that provide for payment or benefits at, following, or in connection with retirement or provide for retirement or deferred compensation plans.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans as at the end of the most recently completed financial year:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in column (a)) (c)
Equity compensation plans approved by security holders	5,010,000	\$0.22	916,362 ⁽¹⁾
Equity compensation plans not approved by security holders	Nil	N/A	N/A
Total	5,010,000	\$0.22	916,362

Note: (1) The Plan is a 'rolling' stock option plan whereby the maximum number of Common Shares that may be reserved for issuance to the Plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant.

AUDIT COMMITTEE

Multilateral Instrument 52-110 ("MI 52-110") requires that certain information regarding the Audit Committee of a 'venture issuer' (as that term is defined in MI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting.

Audit Committee Charter

The full text of the charter of the Company's Audit Committee is attached hereto as Appendix "A".

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors: Brian Usher-Jones (Chair), Mark Jarvis and Eric Schneider. As defined in NI 52-110, Mr. Brian Usher-Jones and Mr. Eric Schneider are "independent". All of the Audit Committee members are "financially literate", as defined in National Instrument 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

Brian Usher-Jones (Chairman) – Member in good standing of the Chartered Professional Accountants of Ontario and over 40 years of experience in business and public companies.

Eric Schneider – Member in good standing of the Law Society of Upper Canada and Ontario Bar Association and over 30 years of experience in business and public companies.

Mark Jarvis - Mr. Jarvis has more than 30 years' experience in exploration and development of mineral resources, both in oil and gas and metals. After a career in financing exploration projects as a stockbroker, Mr. Jarvis moved to the corporate side of the business in 1996.

Of the Company's current directors, all directors except Mark Jarvis are considered to be independent directors, as they have no direct or indirect material relationship with the Company. Mark Jarvis is not considered to be an independent director as he is also an executive officer of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of MI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company,

are not recognized as a non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

Audit Fees

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended January 31, 2020 and 2019.

Year Ended	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
31-Jan-20	20,400	Nil	Nil	Nil
31-Jan-19	14,171	Nil	Nil	Nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice and advice related to relocating employees.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of the date hereof, there was no indebtedness owing to the Company by any individuals who at any time during the fiscal period ended January 31, 2020 were directors, executive officers or senior officers

of the Company or associates of the foregoing, and none of such persons were indebted to a third party during such period where their indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary.

MANAGEMENT CONTRACTS

Since the start of the Company's financial year ended January 31, 2020, there were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Company's Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board has confirmed the strategic objective of the Company is the exploration, development, production and acquisition of oil and gas properties located in Canada, specifically in Atlantic Canada.

National Instrument 58-101 (*Disclosure of Corporate Governance Practices*) ("NI 58-101") requires the Company to disclose its corporate governance practices by providing in the Information Circular the disclosure required by Form 58-101F2. NI 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board.

Each of Brian Usher-Jones (Chair) and Eric Schneider are "independent", in that they are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with their respective abilities to act in the best interests of the Company. As Mark Jarvis is the CEO of the Company, he is not considered independent.

Directorships

The following table is a list of directorships in other reporting issuers held by the director(s) of the Company:

Name of Director	Reporting Issuer
Mark Jarvis	Giga Metals Corporation

Orientation and Continuing Education

Due to the size of the Company's current Board, the Board does not have a formal process of orientation or education program for the new members of the Board. However, any new directors will be given the opportunity to: (a) familiarize themselves with the Company, the current directors and members of

management; (b) review copies of recently publicly filed documents of the Company, technical reports and the Company's internal financial information; (c) have access to technical experts and consultants; and (d) review a summary of significant corporate and securities legislation. Directors are also given the opportunity for continuing education.

Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business.

Ethical Business Conduct

The Board has adopted an Insider Trading Policy which has been distributed to its directors, officers, employees and consultants. A copy of the Code is available from the Company on written request.

Nomination Committee

The Nomination Committee is responsible for proposing new nominees to the Board. The Nomination Committee will select individuals with the desired background and qualifications, taking into account the needs of the Board at the time.

The Nomination Committee members are currently Eric Schneider and Mark Jarvis. Eric Schneider is independent. Mark Jarvis is not independent by virtue of his management role with the Company.

Compensation Committee

To determine compensation payable, the Compensation Committee reviews compensation paid for directors and executive officers of companies of similar size and stage of development and determine any 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.

The Compensation Committee members are currently Eric Schneider and Brian Usher-Jones. All members are independent.

Disclosure Committee

The Disclosure Committee is responsible for ensuring compliance with the Company's corporate disclosure policy, which provides for timely, factual and accurate disclosure of corporate information to security holders and to the public. The members of the Disclosure Committee are currently are Mark Jarvis and Eric Schneider. Mark Jarvis is not independent by virtue of his management role in the Company.

Assessments

Currently the Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the board's decision-making processes and the quality of information provided by management, and among other things:

- overseeing strategic planning
- monitoring the performance of the Company's assets
- evaluating the principal risks and opportunities associated with the Company's business and overseeing the implementation of appropriate systems to manage these risks
- approving specific acquisitions and divestitures

- evaluating senior management
- overseeing the Company's internal control and management information systems

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the most recently completed financial year or in the current financial year or in any proposed transaction that has materially affected or will materially affect the Company.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Security holders may contact the Company in order to request copies of the Company's consolidated financial statements at the offices of the Company at Suite 203, 700 West Pender Street, Vancouver, BC V6C 1G8. Financial information about the Company may be found in the Company's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

GENERAL

The contests and the sending of the Notice of Meeting, the Information Circular and related meeting materials to each shareholder of the Company entitled thereto, each director of the Company, the auditor of the Company and, where required, all applicable securities regulatory authorities have been approved by the board of directors of the Company.

Dated at Vancouver, British Columbia this 15th day of October, 2020.

"Mark Jarvis"

Mark Jarvis, Chairman,
Director and Chief Executive Officer

APPENDIX “A”

AUDIT COMMITTEE CHARTER

Overall Purpose and Objectives

- The audit committee will assist the board in fulfilling its oversight responsibilities.
- The audit committee will review the quarterly and annual financial statements, including the MD&A, prior to the presentation of the statements to the board.
- The audit committee will review the Company’s internal financial reporting system and the audit process, and make recommendations to the board as required.
- In performing its duties, the committee will maintain effective working relations with the board of directors, the management, and the external auditors.
- Each committee member will obtain an understanding of the committee’s responsibilities, and their responsibilities as committee members.

Authority

- The board authorizes the audit committee, within the scope of its responsibilities, to:
 1. Seek any information it requires from any employee (and all employees are directed to co-operate with any request made by the audit committee).
 2. Ensure the attendance of Company officers at meetings as appropriate.
 3. Obtain outside legal or other professional advice.
- The audit committee shall recommend to the board their choice for auditor, and the compensation of the auditor ¹.
- The auditor shall report directly to the audit committee ².
- The audit committee shall pre-approve any non-audit services to be provided by the auditor ³.

Organization

- The audit committee will consist of (3) members, of which (2) will be independent.
- Members will be appointed for a (1) year term.
- The chairman of the audit committee will be nominated by the board.
- A quorum for any meeting will be (2) members.
- The secretary of the audit committee will be the Company secretary.
- Meetings will be held not less than (4) times a year. Special meetings may be convened as required.
- The meetings will be minuted.
- The auditor may convene a meeting if they consider it necessary.
- The auditor will be invited to at least (1) meeting a year, and invited to make presentations as required.

Roles and Responsibilities – Financial Statements

- Review the financial statements and determine whether they are complete and consistent with the information known to the committee members.
- Review the financial statements with respect to appropriate accounting principles.
- Meet with management to review the statements.
- Review the management discussion and analysis to ensure it is understandable and consistent with their knowledge of the financial statements.

Roles and Responsibilities – Annual Audit

- Review the auditor’s proposed audit scope, and ensure there are no unreasonable restrictions or limitations on the scope.
- Consider the independence of the auditor by reviewing any other services they provide the Company (tax, consulting, etc.).
- Meet with management and the auditors to review the results of the audit.
- Review the performance of the auditors.
- Make recommendations to the board regarding the reappointment of the auditor.
- Meet separately with the auditor to discuss any matters that the committee or the auditors believe should be discussed privately.
- Ensure that significant findings and recommendations made by the auditors are brought to the attention of the full board.
- Ensure that management responds to the recommendations from the auditor.

Roles and Responsibilities – Other

- Ensure the board is aware of matters which may significantly impact the financial statements or affairs of the Company.
- If necessary, institute special investigations and if deemed necessary, hire special counsel or experts to assist.
- Review and update the charter, and have changes approved by the board.
- Establish procedures for the confidential submission by employees with respect to questionable accounting practices⁴.
- Establish procedures with respect to the treatment of complaints received by the Company regarding accounting or auditing matters⁵.

¹ Mandatory requirement under Multilateral Instrument 52-110, Audit Committees.

² Same.

³ Same.

⁴ Mandatory requirement under Multilateral Instrument 52-110, Audit Committees.

⁵ Same.

APPENDIX “B”

SHOAL POINT ENERGY LTD.

STOCK OPTION PLAN

**ARTICLE 1
PURPOSE**

1.1 Shoal Point Energy Ltd. (the “**Corporation**”) hereby establishes the Shoal Point Stock Option Plan (the “**Plan**”), upon the terms and conditions set out below.

1.2 The purpose of the Plan is to allow certain officers, directors, employees, advisers and/or service providers to the Corporation or any of its Affiliates to participate in the growth and development of the Corporation by providing such persons with the opportunity, through share options, to acquire a proprietary interest in the Corporation.

**ARTICLE 2
DEFINITIONS**

2.1 The following definitions shall be applicable throughout the Plan unless specifically modified by any paragraph:

“**Advisory Board**” means the board of advisers of the Corporation.

“**Affiliate**” means any body corporate which is an “affiliate” (as such term is defined in the *Business Corporations Act* (Ontario)) of the Corporation.

“**Beneficial Owner**” means the person of whom a Holder is a Permitted Assign.

“**Board**” means the Board of Directors of the Corporation.

“**Change of Control**” means the occurrence of any one or more of the following events:

- (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its Affiliates and another corporation or other entity, as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of substantially all of the assets, rights or properties of the Corporation to any other person or entity that is not then as shareholder of the Corporation, other than a disposition to a wholly-owned Subsidiary in the course

of a reorganization of the assets of the Corporation and its Subsidiaries;

- (iii) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (iv) an acquisition by any person, entity or group of persons or entities acting jointly or in concert of beneficial ownership of more than 50% of the voting rights attached to the outstanding Shares of the Corporation;
- (v) the distribution of Shares to the public under a prospectus or registration statement; or
- (vi) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

For the purposes of the foregoing, "**Voting Securities**" means Shares and any other shares entitled to vote for the election of directors and shall include any securities, whether or not issued by the Corporation, which are not shares entitled to vote for the election of directors but are convertible into or exchangeable for shares which are entitled to vote for the election of directors including any options or rights to purchase such shares or securities.

"**Consultant**" means a person that (i) is engaged to provide services to the Corporation or a Related Entity, other than services provided in relation to a distribution; (ii) provides the services under a written contract with the Corporation or a Related Entity; and (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Related Entity.

"**Corporation**" means Shoal Point Energy Ltd.

"**Eligible Person**" has the meaning ascribed thereto in Section 6.1.

"**Fair Market Value**" of a Share, as of any specified date, shall be determined by the Board acting with reasonable diligence and in good faith. On any date when the Shares are not traded on an exchange or other market, such determination shall be based on a sale of the entire Corporation as a going concern negotiated at arm's length between a willing buyer and a willing seller, without taking into account any discount or illiquidity or minority interests; provided, that the Board may, in its sole and absolute discretion (but shall not be required to) cause the Corporation to retain an independent investment banking firm, consulting firm, accounting firm or other professionally capable entity to assist the Board to determine the Fair Market Value as of a date specified by the Board. On any date when the Shares are traded on an exchange or other market, such determination be based on the applicable rules of the exchange or market, and the relevant trading and quoted prices, and any other applicable regulatory requirements. Neither the Corporation nor any director, officer or employee thereof shall have any liability even though the Fair Market Value as so determined may be more or less than the actual fair market value thereof.

"**Holder**" means an Eligible Person granted an Option.

"**Option**" means a non-transferable option to purchase Shares of the Corporation granted pursuant to the terms of this Plan.

“**Option Agreement**” means a written agreement between the Corporation and a Holder with respect to an Option, including an agreement in the form of Schedule “A” hereto.

“**Option Price**” means the price at which a Share may be purchased upon exercise of an Option.

“**Outstanding Issue**” means the number of Shares outstanding on a non-diluted basis immediately prior to the proposed Option issuance, plus the number of Shares issuable upon exercise of rights attached to any securities, other than Options, issued by the Corporation which are convertible into or exchangeable for Shares.

“**Permitted Assign**” means a person which is a “permitted assign” as defined in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as adopted by the Ontario Securities Commission.

“**Plan**” means this Shoal Point Stock Option Plan, as amended from time to time.

“**Related Entity**” means a person which is a “related entity” of the Corporation as defined in Section 2.22 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as adopted by the Ontario Securities Commission.

“**Shares**” means any shares in the capital of the Corporation, as determined by the Board in its sole discretion in connection with a grant of Options including, without limitation, common shares of the Corporation.

“**Subsidiary**” means any body corporate which is a “subsidiary” of the Corporation (within the meaning ascribed to such term in the *Business Corporations Act* (Ontario)).

“**Termination**” means: (i) in the case of an employee, the termination of the employment of the employee with or without cause by the Corporation or a Related Entity or cessation of employment of the employee with the Corporation or a Related Entity as a result of resignation or otherwise, including without limitation, death, disability or retirement; (ii) in the case of an officer or a director, the removal of or failure to re-elect or re-appoint the individual as an officer or director of the Corporation or a Related Entity; and (iii) in the case of a Consultant, the termination of the services of a Consultant by the Corporation or a Related Entity.

“**Termination Date**” means ninety (90) days after the earlier of (a) the date of the Holder’s, or a Permitted Assign’s Beneficial Owner’s, last day actively at work for or in service of the Corporation or a Related Entity, regardless of the reason for cessation of employment or service, or (b) the day on which the Holder, or a Permitted Assign’s Beneficial Owner, gives or is given a notice of termination, notice of dismissal or other similar notice with respect to termination of employment or service; provided that where the Holder, or a Permitted Assign’s Beneficial Holder, dies prior to the end of the ninety (90) day period described above, “Termination Date” shall mean one (1) year after the date of the death of the Holder or a Permitted Assign’s Beneficial Owner.

ARTICLE 3

EFFECTIVE DATE AND DURATION OF THE PLAN

3.1 The Plan shall be effective upon the date of its adoption by the Board. No further Options may be granted under the Plan after the expiration of ten (10) years from the date of its adoption by the Board.

ARTICLE 4 ADMINISTRATION

4.1 The Plan shall be administered by the Board, and in respect thereof, the Board shall have the power to:

- (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- (b) interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) determine which Eligible Persons may be granted Options and to grant Options;
- (d) determine the class or series of Shares covered by each Option
- (e) determine the number of Shares covered by each Option;
- (f) determine the Option Price;
- (g) determine the time or times when Options will be granted and exercisable;
- (h) determine if the Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
- (i) prescribe the form of documentation relating to the grant, exercise and other terms of the Options.

4.2 The Board may postpone or adjust any exercise of any Option or the issue of any Shares pursuant to this Plan as the Board in its sole discretion may deem necessary in order to permit the Corporation to determine that the Shares issuable pursuant to this Plan may be issued in reliance upon applicable prospectus and registration exemptions. The Corporation is not obligated by any provision of this Plan or any grant hereunder to sell or issue Shares in violation of any applicable law.

ARTICLE 5 SHARES SUBJECT TO THE PLAN

5.1 The Board may from time to time grant Options to one or more persons determined by it to be eligible for participation in this Plan in accordance with the provisions of ARTICLE 6. In no event shall Options be granted if as a result of such grant as at the time immediately following such grant the aggregate number of Options granted under this Plan would entitle the Holders thereof to purchase in the aggregate in excess of 10% of the Outstanding Issue. To the extent that an Option lapses or the rights of its Holder terminate, any Shares subject to such Option shall again be available for the grant of an Option.

ARTICLE 6 ELIGIBILITY, GRANT AND TERMS OF OPTIONS

6.1 Options may be granted, subject to applicable law, only to a person who, at the time of grant, is (i) an officer, director, employee, Adviser or Consultant of the Corporation; (ii) an officer, director, employee, Adviser or Consultant of a Related Entity of the Corporation; (iii) a member of the

Advisory Board of the Corporation; or (iv) a Permitted Assign of any person listed in the preceding subsections (i),(ii) or (iii) (each, an “**Eligible Person**”). For greater certainty, an Option may be granted on more than one occasion to the same person or entity.

6.2 At the time of the grant of an Option, the Board may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to the Option. Each Option shall be evidenced by an Option Agreement setting forth such additional terms, conditions or restrictions and in such form and containing such provisions not inconsistent with the provisions of the Plan as the Board from time to time shall approve. Each Option Agreement shall also specify the time or times during which the Option may be exercised and shall specify the effect of termination of services or employment (by retirement, disability, death or otherwise) on the exercisability of the Option. Such Option Agreement may also include, without limitation, provisions relating to (i) vesting of Options and, subject to the provisions hereof, accelerating such vesting on a Change of Control; (ii) tax matters (including provisions permitting the withholding of a portion of the Holder’s cash remuneration by the Corporation or any Affiliate to satisfy federal or provincial income tax or other withholding); and (iii) any other matters not inconsistent with the terms and provisions of this Plan that the Board shall in its sole discretion determine. The terms and conditions of an Option Agreement need not be identical to the terms of any other Option Agreement.

6.3 The price at which a Share may be purchased upon exercise of an Option shall be determined by the Board at the time the Option is granted provided that such price shall be stated in Canadian dollars. In the event that, at the time the Option is granted, the Shares are listed for trading on an exchange or other market, the price at which a Share may be purchased upon exercise of an Option shall be determined to be an amount which is not less than that permitted under the applicable rules of the exchange or market. Subject to Section 8.3, the purchase price of the Shares for which an Option or portion thereof is exercised shall be paid in full in cash or by certified cheque to the Corporation at the time of exercise in the manner prescribed by the Board or as set out in the Option Agreement.

6.4 The term of each Option shall be as specified by the Board, provided that the expiry of each Option shall be the later of a fixed expiration date (the “**Fixed Expiry Date**”) or, in the event that the Fixed Expiry Date falls within or immediately after a blackout period imposed by the Corporation ten (10) business days after the end date of the blackout period. No Option term shall exceed five (5) years from the date of the grant, unless otherwise expressly authorized by the Board.

6.5 Any Option shall be exercisable in whole or in such instalments and at such times as determined by the Board.

6.6 The terms of an Option may not be amended once issued. If an Option is cancelled prior to its expiry date, the Corporation shall not grant new options to the holder of the cancelled Option until 30 days have elapsed from the date of cancellation.

ARTICLE 7 TERMINATION OF ELIGIBILITY

7.1 Each Option held by the Holder, whether vested or unvested, and all rights to purchase Shares pursuant thereto, will immediately expire and cease to be exercisable on the Termination Date. Without limitation, and for greater certainty only, this section will apply regardless of whether the Holder was dismissed with or without cause and in the event of Termination by the Corporation will be effective as of the date notice of termination is given by the Corporation regardless of whether the Holder received compensation in respect of dismissal or was entitled to a period of notice of termination.

ARTICLE 8 EXERCISE OF OPTIONS

8.1 Subject to the provisions of the Plan, an Option that has vested may be exercised from time to time by delivery to the Corporation at its registered office of a stock option plan subscription agreement in the form of Schedule “B” to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Holder within a reasonable time following the receipt of such notice and payment.

8.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to a Holder pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on any stock exchange on which the Shares may then be listed; and
- (c) the receipt from the Holder of such representations, agreements and undertakings, as the Corporation or its counsel determines to be necessary or advisable.

The Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which the Shares are then listed.

8.3 At the discretion of the Company, notwithstanding Section 8.1, a Holder may elect to effect a cashless exercise of any or all of such Holder's vested and exercisable rights under an Option by delivery to the Corporation at its registered office of a stock option plan subscription agreement in the form of Schedule “B” to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and specifying the cashless exercise election. In connection with any such cashless exercise, the Holder shall be entitled to receive, without any cash payment (other than the taxes required to be paid in connection with the exercise which must be paid by the Holder to the Corporation in cash at the time of exercise), such number of whole Shares (rounded down to the nearest whole number) obtained pursuant to the following formula:

$$X = \frac{[A \times (B - C)]}{B}$$

Where:

- X = the number of whole Shares to be issued
- A = the number of Shares with respect to which Option being exercised
- B = the closing price of the Shares on the Exchange on the last trading day preceding the day that written notice of the request for cashless exercise is received by the Corporation at its head office
- C = the exercise price of the Option

In connection with any such cashless exercise, the full number of Shares issuable and underlying the Option being exercised (item "A" in the formula) shall be considered to have been issued for the purposes of determining the number of Shares which may be issued under the Plan and the number of Shares remaining for issuance subsequent to such cashless exercise.

ARTICLE 9 RECAPITALIZATION OR REORGANIZATION

9.1 If there is any change in the outstanding Shares by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, or other fundamental corporate change, the Board will make, subject to any prior approval required of applicable regulatory authorities or stock exchange, if any, an appropriate substitution or adjustment in (i) the exercise price of any unexercised Options under this Plan; (ii) the number or kind of shares or other securities reserved for issuance pursuant to this Plan; and (iii) the number and kind of shares subject to unexercised Options theretofore granted under this Plan; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. In the event of the reorganization of the Corporation or the amalgamation, merger or consolidation of the Corporation with another corporation, the Board may make such provision for the protection of the rights of Holders as the Board in its sole discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all parties.

9.2 The existence of the Plan and the Options granted hereunder shall not affect in any way the right or power of the Board or the shareholders of the Corporation or any Affiliate to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, any amalgamation, merger or consolidation of the Corporation, any issue of debt or equity securities ahead of or affecting Shares or the rights thereof, the dissolution or liquidation of the Corporation or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding. No Holder, beneficiary or other person shall have any claim against the Corporation, an Affiliate, or the directors thereof, as a result of any such action.

9.3 Except as hereinbefore expressly provided, the issuance by the Corporation of Shares of any class or securities convertible into shares of any class, for cash, property, labour or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of Shares or obligations of the Corporation convertible into such Shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to Options theretofore granted or the purchase price per Share, if applicable.

ARTICLE 10 AMENDMENT AND TERMINATION OF THE PLAN

10.1 Subject to the requisite shareholder and regulatory approvals set forth under Sections 10.2 and 10.3 below, the Board may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Holder, in any manner adversely affect the Holder's rights under any Option theretofore granted under the Plan.

10.2 The Board may not, without the receipt of any requisite shareholder and regulatory approval, make the following amendments to the Plan:

- (a) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a

fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;

- (b) any change to the class of Holders eligible to receive Options which would have the potential of broadening or increasing Insider participation;
- (c) the addition of any form of financial assistance;
- (d) any amendment to a financial assistance provision which is more favourable to participants;
- (e) any addition of a further cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Plan reserves;
- (f) the addition of a deferred or restricted share unit or any other provision which results in participants receiving securities while no cash consideration is received by the Corporation; and
- (g) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to eligible participants, especially Insiders of the Corporation, at the expense of the Corporation and its existing shareholders.

10.3 The Board may, subject to receipt of requisite regulatory approval where required, in its sole discretion and without the approval of shareholders, make all other amendments to the Plan that are not of the type contemplated in Section 10.2 above including, without limitation:

- (a) amendments of a "housekeeping" nature, including, without limitation, amendments for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, or to comply with applicable law or the requirements of any stock exchange on which the Shares are listed;
- (b) a change to the vesting provisions of an Option or the Plan;
- (c) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date;
- (d) a discontinuance of the Plan; and
- (e) the addition of provisions relating to phantom share units, such as restricted share units and deferred share units, which result in participants receiving cash payments, and the terms governing such features.

10.4 Notwithstanding the provisions of subparagraph 10.3(b) above, the Corporation shall additionally obtain requisite shareholder approval in respect of amendments to the Plan that are contemplated pursuant to subparagraph 10.3(b), to the extent such approval is required by any applicable laws or regulations.

ARTICLE 11
MISCELLANEOUS

11.1 Neither the adoption of the Plan by the Corporation nor any action of the Board shall be deemed to give a Holder any right to be granted an Option to purchase Shares except as may be evidenced by an Option Agreement, and then only to the extent and on the terms and conditions expressly set forth therein.

11.2 Holder shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised and of any applicable taxes) and the Corporation shall have issued such Shares to the Holder in accordance with the terms of the Plan.

11.3 Nothing contained in the Plan shall (i) confer upon any Holder or any Beneficial Owner any right with respect to continuation of employment or service with the Corporation or any Affiliates; or (ii) interfere in any way with the right of the Corporation or any Affiliates to terminate his or her employment or service at any time.

11.4 The Corporation shall not be obligated to issue any Shares pursuant to any Option granted under the Plan at any time when, in the opinion of legal counsel for the Corporation, there is no exemption from the registration or prospectus requirements of such laws, rules or regulations applicable to the issuance and sale of such shares, including securities laws.

11.5 No fractional shares shall be delivered and no cash in lieu of fractional shares will be paid by the Corporation to a Holder.

11.6 To the extent required under applicable law or regulation, the Corporation shall be entitled to take all reasonable and necessary steps, including the sale of any Shares issued upon the exercise of any Option granted under the Plan, the withholding of any amount otherwise due to a Holder (or a beneficiary of a Holder), or requiring all reasonable or necessary indemnities, assurances, payments or undertakings, to the sole satisfaction of the Corporation, to satisfy any tax remittance obligations of the Corporation to any taxing authorities arising in respect of any exercise of any Options granted or cashless exercises permitted under the Plan by the Corporation, and the Corporation shall be and is hereby appointed as the irrevocable attorney-in-fact for any person granted an Option under this Plan to take all such reasonable and necessary steps or sales of Shares including, without limitation, Share sales resulting from any cashless exercise. The Corporation does not accept responsibility for the price obtained on the sale of such Shares.

11.7 Holders and their beneficiaries shall be responsible for all taxes with respect to any Options or cashless exercises under the Plan or under any Option Agreement, whether arising as a result of the grant or exercise of Options, any cashless exercise rights or otherwise. The Corporation makes no guarantee or representation to any person regarding the tax treatment of Options, a cashless exercise or payments made under the Plan or any Option Agreement and none of the Corporation, or any of its officers, directors, employees or other representatives shall have any liability to a Holder or a beneficiary of a Holder with respect thereto. With respect to all Options and cashless exercise rights, unless otherwise determined by the Board in its sole discretion, the Corporation agrees to elect under subsection 110(1.1) of the Income Tax Act (Canada) (or any successor provision thereto) so as to permit the Holder to claim a deduction under paragraph 110(1)(d) of the said Act (or any successor provision thereto) with respect to the exercise price, or the payment due under any cashless exercise, as the case may be.

11.8 An Option shall not be transferable or assignable and shall be exercisable during the Holder's lifetime only by such Holder. Holders may not assign, transfer, pledge or hypothecate any Options or any rights thereunder in any way (whether by operation of law or otherwise). Options shall not be subject to execution, attachment or similar process.

11.9 This Plan shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario.

IN WITNESS WHEREOF this Corporation has executed this Shoal Point Stock Option Plan the _____ day of _____, 20____.

SHOAL POINT ENERGY LTD.

By _____
Name:
Title:

SCHEDULE "A"

THIS OPTION AGREEMENT is made as of the [●] day of [●], 20[●].

B E T W E E N :

SHOAL POINT ENERGY LTD., an Ontario Corporation

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

- and -

[NAME OF OPTIONHOLDER],

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

THIS AGREEMENT WITNESSES that for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties), it is agreed by and between the parties as follows:

1. The Corporation grants to the Holder an option (the "**Option**") to purchase [●] common shares of the Corporation ("**Shares**") at the price of C\$[●] per each Share (the "**Option Price**"). This

Option is granted pursuant to the Stock Option Plan of the Corporation dated June, 2014 (as the same may be amended, supplemented or replaced from time to time, the “**Plan**”).

2. Subject to any earlier termination of the Option in accordance with the Plan or the other terms and conditions of this Agreement and subject to extension only in the event of the death of the Holder or a Permitted Assign's Beneficial Owner as contemplated in Section 2.1 “**Termination Date**” of the Plan, on the close of business on the fifth (5th) anniversary of the date of this agreement (the “**Final Termination Date**”), all rights (vested or unvested) of the Holder to purchase the Shares underlying the Option or to exercise the Option shall terminate and the Option shall immediately expire and cease to have any further force or effect.
3. The Option will vest as set out in Exhibit A.
4. Notwithstanding Section 3, the Option shall become fully vested and will be exercisable in the event of a Change of Control, as defined in the Plan, or as otherwise determined by the board of directors of the Corporation. All unexercised Options, whether vested or unvested, shall expire and terminate [**• days**] after the giving of a notice in respect of such Change of Control or determination by the Board (a “**Permitted Exercise Notice**”) and otherwise in accordance with the terms of the Plan.
5. The Holder may exercise any or all of such Holder's vested and exercisable rights under the Option by the delivery to the Secretary of the Corporation of a notice in writing of the exercise of such rights under the Option, in the form of Schedule “B” to the Plan, together with a certified cheque or bank draft drawn on or issued by a Canadian chartered bank and payable to the Corporation in the amount of the aggregate Option Price for all or any number (as may be specified by the Holder in such notice) of the Shares which may then be purchased by the Holder pursuant to such vested rights and issued to the Holder, and copies executed by the Holder of such shareholder, restricted stock, voting trust, sale, reorganization, escrow, lockup, agency and/or other agreements as the Board may in its sole discretion specify in a Permitted Exercise Notice. The Corporation shall take such steps as are necessary in order to issue such Shares as soon as practicable thereafter.
6. Notwithstanding Section 5, a Holder may elect to effect a cashless exercise of any or all of such Holder's vested and exercisable rights under an Option by delivery to the Corporation at its registered office of a stock option plan subscription agreement in the form of Schedule “B” to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and specifying the cashless exercise election, and copies executed by the Holder of such shareholder, restricted stock, voting trust, sale, reorganization, escrow, lockup, agency and/or other agreements as the Board may in its sole discretion specify in a Permitted Exercise Notice. The Option shall be deemed for all purposes to have been exercised to the extent stated in such cashless exercise notice upon delivery of the notice. The Corporation shall take such steps as are necessary in order to issue the number of Shares determined in accordance with the Plan in relation to cashless exercise as soon as practicable thereafter.
7. The Holder is not obligated to exercise any or all of the Holder's vested rights of exercise under the Option. The Holder acknowledges and agrees that the Holder's participation in the issue of the Option, and any exercise of the Option, is and will be voluntary, and in particular that the Holder has not been induced to enter into this Agreement by expectation of employment, continued employment, appointment, continued appointment, engagement to provide services or continued engagement of the Holder, or of any Beneficial Owner of the Holder, to provide services with or to the Corporation or a Related Entity, as defined in the Plan.

8. The terms of this Agreement supersede the relevant terms of any prior agreement, commitment, undertaking or other obligation or understanding with respect to the issue of any shares or any other equity interest, or any options to purchase shares or any other equity interest, in the Corporation to the Holder, and the Holder acknowledges that all such obligations and understandings have been fully satisfied and discharged by the Corporation and the Holder entering into this Agreement.
9. Time shall be of the essence of this Agreement.
10. This Agreement shall enure to the benefit of and be binding upon the successors and assigns of the Corporation and the heirs, executors and personal legal representatives of the Holder.
11. The Holder may not pledge, hypothecate, charge, transfer, assign or otherwise encumber or dispose (each a **“Dealing”**) of its, his or her interest in this Agreement or in the Option granted hereby or in any right (vested or unvested) of exercise under the Option, and any attempt to do so, or any such Dealing effected by operation of law or by order of any court of competent jurisdiction will cause this Agreement, the Option granted hereby and all rights (vested and unvested) of exercise under the Option to immediately and automatically terminate and become null and void.
12. The Holder acknowledges receipt of a copy of the Plan. The Holder further acknowledges and agrees that, except with respect to the terms upon which rights of exercise under the Option become vested and exercisable: (i) the Plan may, with or without notice to the Holder, be amended, supplemented or replaced from time to time; and (ii) this Agreement and the Option shall be subject to and governed by the terms and conditions of the Plan, as so amended, supplemented or replaced.
13. Except as specifically set out in this Agreement, in the event of any conflict or inconsistency as between the terms and conditions of this Agreement and those of the Plan, the terms and conditions of the Plan shall govern and be paramount.
14. Capitalized terms used and not defined herein shall have the respective meanings given to them in the Plan.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.

SHOAL POINT ENERGY LTD.

By _____
Name:
Title:

[NAME OF OPTIONHOLDER]

By _____
Name:
Title:

EXHIBIT A

Vesting Date

Number of Options Which Vest

SCHEDULE "B"

**STOCK OPTION PLAN
SUBSCRIPTION AGREEMENT**

TO: **SHOAL POINT ENERGY LTD.** (the "Corporation")

DATE: **[Month, day, year]**

I refer to the option granted to me on the [●] day of [Month, year] pursuant to the Shoal Point Stock Option Plan wherein I was granted an option (the "Option") to subscribe for and purchase duly paid and non-assessable common shares ("Common Shares") in the capital of the Corporation. I hereby elect to:

(a) purchase _____ Common Shares which are subject to the Option and:

(i) enclose a certified cheque payable to the Company in the aggregate amount of \$_____ (the "Aggregate Exercise Price"), being \$_____ per Common Share; or

(ii) have transferred the Aggregate Exercise Price to the Company by wire transfer;

or

(b) initiate a cashless exercise in respect of _____ Common Shares which are subject to the Option and receive the number of Common Shares as contemplated in Section 8.3 of the Plan, and I undertake, forthwith upon demand and prior to issue or delivery of Common Shares, to pay to the Corporation the amount of tax otherwise required to be withheld in connection with such cashless exercise.

Please cause Common Shares to be certified and registered as follows: **[insert: full name and address of purchaser including postal code]** and forward the relevant certificates to such name and address.

I have not been induced to purchase the Common Shares by expectation of employment or continued employment with, or engagement or continued engagement by, the Corporation.

Yours very truly,

Signature

[Name of Holder — Please Print]

[Capacity — complete only if other than holder of Option]

(i.e. personal legal representative or trustee)