

# Special Meeting and Management Information Circular

**The Special Meeting of Shareholders of Canacol Energy Ltd. will be held:**

December 19, 2022, 10:00 a.m. (EST)

Hotel NH Collection Teleport

Salón Ciprés

Calle 113 No. 7-65

Bogotá, Colombia





## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 19, 2022

**NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING** (the “**Meeting**”) of holders of common shares of Canacol Energy Ltd. (the “**Corporation**”) will be held at the Hotel NH Collection Teleport, Salón Ciprés, Calle 113 No. 7-65, Bogotá, Colombia, at 10:00 a.m. (EST), on December 19, 2022 for the following purposes:

1. **TO APPROVE** the consolidation to the outstanding common shares of the Corporation on the basis of one (1) new post-consolidation common share for every five (5) currently outstanding common shares;
2. **TO APPROVE** the new by-laws of the Corporation; and
3. **TO TRANSACT** such other business as may be properly brought before the meeting or any adjournment thereof.

The management information circular (the “**Circular**”) accompanying this Notice provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

In order to permit shareholders and proxyholders to listen to the Meeting in real time, without having to attend in person, a conference call of the Meeting will be available as follows:

### Conference call participation:

- 🔥 Canada Toll Free: 1-866-450-4696
- 🔥 Colombia Toll Free: 01800-9-156803
- 🔥 United States In Toll: 1-844-784-1724
- 🔥 International Dial In: 1-412-317-6716
- 🔥 UK Toll Free: 08082389064

Please ask the operator to be joined into the Canacol Energy Ltd. conference call.

**The Meeting is not a virtual-only meeting; therefore, shareholders will not be able to vote through the conference call. The Corporation encourages shareholders to vote by proxy, by mail, by telephone or on the internet, rather than attending the Meeting in person.**

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting (the “**Record Date**”) is at the close of business on November 9, 2022. Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

**While registered shareholders are entitled to attend the Meeting in person, we recommend that all shareholders vote by proxy and accordingly ask that registered shareholders complete, date, sign and return the enclosed form of proxy for use at the Meeting or any adjournment thereof. A proxy will not be valid unless it is deposited with the Corporation’s transfer agent, Olympia Trust Company, by (a) email at [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), (b) web voting at <https://css.olympiatrust.com/pxlogin>, or (c) mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (EST) on December 15, 2022 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder’s behalf at the Meeting.

Beneficial shareholders must seek instructions on how to complete their proxy and vote their shares from their broker, trustee, financial institution or other nominee, as applicable. Beneficial shareholders who purchased their shares through the Bolsa de Valores de Colombia (or the Colombian Stock Exchange) ("**BVC Shareholders**") must seek instructions on how to complete their applicable proxy form and vote their shares from Depósito Centralizado de Valores de Colombia S.A. ("**Deceval**"). All shareholders should advise the Corporation of any change in their mailing address.

If you have any questions relating to the proxy voting, please contact Olympia Trust Company by telephone at 1-866-668-8379. BVC Shareholders should contact Deceval should they have any questions or concerns regarding their applicable proxy voting procedures.

**DATED** this 9<sup>th</sup> day of November, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Charle Gamba"*

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**Charle Gamba**

**President and Chief Executive Officer**

## MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of CANACOL ENERGY LTD. (the “Corporation” or “Canacol”) for use at the special meeting (the “Meeting”) of the holders of common shares of the Corporation (“Common Shares”) to be held on the 19<sup>th</sup> day of December, 2022 at 10:00 a.m. (EST) at the Hotel NH Collection Teleport, Salón Ciprés, Calle 113 No. 7-65, Bogotá, Colombia, and at any adjournment thereof, for the purposes set forth in the notice of special meeting (“Notice of Meeting”). The board of directors of the Corporation (the “Board”) has fixed the record date for the Meeting at the close of business on November 9, 2022 (the “Record Date”). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, the information contained in this Circular is given as at November 9, 2022. Except as otherwise indicated, all dollar amounts in this Circular are expressed in Canadian dollars and references to \$ are to Canadian dollars. References to US\$ are to United States dollars.

In order to permit shareholders and proxyholders to listen to the Meeting in real time, without having to attend in person, a conference call of the Meeting will be available as follows:

### Conference call participation:

-  Canada Toll Free: 1-866-450-4696
-  Colombia Toll Free: 01800-9-156803
-  United States In Toll: 1-844-784-1724
-  International Dial In: 1-412-317-6716
-  UK Toll Free: 08082389064

Please ask the operator to be joined into the Canacol Energy Ltd. conference call.

**The Meeting is not a virtual-only meeting; therefore, shareholders will not be able to vote through the conference call. The Corporation encourages shareholders to vote by proxy, by mail, by telephone or on the internet, rather than attending the Meeting in person.**

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Circular includes certain statements and information that constitute “forward-looking statements”, and “forward-looking information” under applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to herein as “**forward-looking statements**”, unless otherwise stated). Forward-looking statements appear in a number of places in this Circular and include statements and information regarding the intent, beliefs or current expectations of the Corporation’s officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Circular, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions, are intended to identify these forward-looking statements. Forward-looking statements may relate to the Corporation’s future outlook and anticipated events or results and may include statements regarding the Corporation’s future business strategy, plans and objectives. In particular, forward-looking statements included in this Circular include, but are not limited to, statements with respect to the Consolidation (as defined herein), including the effects and timing of the Consolidation. The Corporation has based these forward-looking statements largely on its current expectations and projections about future events. These forward-looking statements were derived utilizing numerous assumptions, and while the Corporation considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, you are cautioned to not put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future events or results.

Forward-looking statements speak only as of the date such statements are made. Except as required by applicable law, the Corporation assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If the Corporation updates any one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in this Circular are expressly qualified in their entirety by this cautionary statement.

## SOLICITATION OF PROXIES

**The solicitation is made on behalf of the management of the Corporation.** The costs incurred in the preparation and mailing of the enclosed form of proxy (“**Instrument of Proxy**”), the Notice of Meeting and this Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor. In accordance with National Instrument 54-101 – *Communication with Beneficial Owner of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the Instrument of Proxy are directors and/or officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than the persons designated, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder’s appointee should be legibly printed in the blank space provided.**

**An Instrument of Proxy will not be valid unless it is deposited with the Corporation’s transfer agent, Olympia Trust Company by (a) email at [proxy@olympiatrust.com](mailto:proxy@olympiatrust.com), (b) web voting at <https://css.olympiatrust.com/pxlogin>, or (c) mail to Olympia Trust Company, PO Box 128, STN M Calgary, Alberta T2P 2H6. All instructions are listed in the Instrument of Proxy. The Instrument of Proxy or voting instructions must be received in each case no later than 10:00 a.m. (EST) on December 15, 2022 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.**

## REVOCABILITY OF PROXY

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or the shareholder’s attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

## EXERCISE OF DISCRETION BY PROXY

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification.

**In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Meeting. At the time of printing this Circular, management of the Corporation knows of no such amendment, variation or other matter.**

## BENEFICIAL HOLDERS OF SHARES

The information set forth in this section is provided to beneficial holders of Common Shares who do not hold their Common Shares in their own name (“**Beneficial Shareholders**”). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation 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 Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares and mails a machine-readable voting instruction form (a “**VIF**”) in lieu of the Instrument of Proxy. The Beneficial Shareholder is requested to complete and return the VIF to Broadridge by mail or facsimile, or to 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 Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a VIF cannot use that VIF to vote Common Shares directly at the Meeting. The VIF 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 or her broker or other intermediary, a Beneficial Shareholder may attend at the Meeting as a proxyholder for the registered holder 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 applicable form of proxy or VIF provided to them and return the document to their broker (or other intermediary or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent, well in advance of the Meeting.**

**All references to shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.**

## BENEFICIAL SHAREHOLDERS IN COLOMBIA

Most shareholders in Colombia are Beneficial Shareholders and hold their Common Shares through Depósito Centralizado de Valores de Colombia S.A. (“**Deceval**”). Beneficial Shareholders who purchased their Common Shares through the Bolsa de Valores de Colombia (or the Colombian Stock Exchange) (“**BVC Shareholders**”) will be provided with the Meeting materials and a form of proxy from Deceval allowing them to direct the voting of the Common Shares they beneficially own. BVC Shareholders should contact Deceval should they have any questions or concerns regarding their applicable proxy voting procedures.

## NOTICE-AND-ACCESS

Canacol has elected to use the notice-and-access provisions under NI 54-101 (the “**Notice-and-Access Provisions**”) for the Meeting in respect of mailings to Beneficial Shareholders but not in respect of mailings to registered shareholders (i.e. a shareholder whose name appears on the records of the Corporation). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators (“**CSA**”) that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post online an information circular in respect of a meeting of its shareholders and related materials.

More specifically, Canacol has elected to use procedures known as ‘stratification’ in relation to its use of the Notice-and-Access Provisions. As a result, registered shareholders will receive a paper copy of the Notice of Meeting, this Circular and the Instrument of Proxy, whereas Beneficial Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a VIF. In addition, a paper copy of the Notice of Meeting, this Circular, and a VIF will be mailed to those shareholders who do not hold their Common Shares in their own name but who have previously requested to receive paper copies of these materials.

Canacol will be delivering proxy-related materials to non-objecting Beneficial Shareholders directly with the assistance of Broadridge. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at November 9, 2022, there were 170,557,290 Common Shares issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two persons present at the Meeting holding or representing by proxy not less than 25% of the shares entitled to be voted at the Meeting. The Board has fixed the Record Date for the Meeting at the close of business on November 9, 2022.

To the knowledge of the directors and executive officers of the Corporation, as at November 9, 2022, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation other than as set forth below:

Name	Number of Common Shares <sup>(1)</sup>	Percent of Outstanding Common Shares <sup>(2)</sup>
Fourth Sail Capital, LP	34,949,868	20%
Cavengas Holdings S.R.L.	32,613,072	19%

**Notes:**

- (1) Based on information disclosed in the public filings of the applicable party.
- (2) Based on a total of 170,557,290 Common Shares issued and outstanding as at November 9, 2022.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Approval of the Consolidation

The Board believes that it is in the best interests of the Corporation and its shareholders to consolidate the currently issued and outstanding Common Shares on the basis of one (1) new post-consolidation Common Share for every five (5) currently outstanding Common Shares (the “**Consolidation**”).

The reasons for and potential benefits of the Consolidation include:

- Greater investor interest – combined with the Corporation’s recent pipeline announcement and an attractive quarterly dividend payment history, a higher post-Consolidation share price could help generate interest in the Corporation among certain investors. In particular, a higher anticipated share price may meet investing criteria for certain institutional investors and investment funds that may be prevented under their investing guidelines from otherwise investing in the Common Shares at current share prices.
- Improved trading liquidity – an increased interest from investors may ultimately improve the trading liquidity of the Common Shares.
- Reduced price volatility – an anticipated level of post-Consolidation investor interest could result in less volatility in the price of the Common Shares.

#### Risks Associated with the Consolidation

Reducing the number of issued and outstanding Common Shares through the Consolidation is intended, absent other factors, to increase the per share market price of the Common Shares. However, the market price of the Common Shares will also be affected by our financial and operational results, our financial position, including our liquidity and capital resources, the development of our reserves and resources, industry conditions, the market’s perception of our business and other factors, which are unrelated to the number of Common Shares outstanding.

Having regard to these other factors, there can be no assurance that the market price of the Common Shares will increase following the implementation of the Consolidation or that the market price of the Common Shares will not decrease in the future.

The market price of the Common Shares immediately following the implementation of the Consolidation is expected to be approximately equal to the market price of the Common Shares prior to the implementation of the Consolidation, multiplied by five (5), but there is no assurance that the anticipated market price immediately following the implementation of the Consolidation will be realized or, if realized, will be sustained or will increase. There is a risk that the total market capitalization of the Common Shares (the market price of the Common Shares multiplied by the number of Common Shares outstanding) after the implementation of the Consolidation may be lower than the total market capitalization of the Common Shares prior to the implementation of the Consolidation.

Although we believe that establishing a higher market price for the Common Shares could increase investment interest for the Common Shares in equity capital markets by potentially broadening the pool of investors that may consider investing in us, including investors whose internal investment policies prohibit or discourage them from purchasing stocks trading below a certain minimum price, there is no assurance that implementing the Consolidation will achieve this result.

If the Consolidation is implemented and the market price of the Common Shares (adjusted to reflect the Consolidation ratio) declines, the percentage decline as an absolute number and as a percentage of our overall market capitalization may be greater than would have occurred if the Consolidation had not been implemented. Both the total market capitalization of a company and the adjusted market price of such company’s shares following a consolidation or reverse split may be lower than they were before the consolidation or reverse split took effect. The reduced number of Common Shares that would be outstanding after the Consolidation is implemented could adversely affect the liquidity of the Common Shares.

The Consolidation may also result in some shareholders owning “odd lots” of fewer than 100 Common Shares on a post-Consolidation basis. Odd lots may be more difficult to sell, or attract greater transaction costs per share to sell, and brokerage commissions and other costs of transactions in odd lots are generally somewhat higher than the costs of transactions in “round lots” of even multiples of 100 shares.

## Effects of the Share Consolidation

### **General**

If the Consolidation is implemented, its principal effect will be to proportionately decrease the number of issued and outstanding Common Shares by a factor of five (5). At the close of business on November 9, 2022, the closing price of the Common Shares on the Toronto Stock Exchange (“**TSX**”) was \$2.17 and there were 170,557,290 Common Shares issued and outstanding. Based on the number of Common Shares currently issued and outstanding, immediately following the completion of the Consolidation, on the basis of one (1) new post-Consolidation Common Share for every five (5) currently outstanding Common Shares, there would be approximately 34,111,458 Common Shares issued and outstanding (disregarding any resulting fractional Common Shares).

We do not expect the Consolidation itself to have any economic effect on holders of Common Shares or securities convertible into or exercisable to acquire or exchangeable into Common Shares, except to the extent the Consolidation will result in fractional shares. See “*No Fractional Shares*” below.

Following the Consolidation, if implemented the Common Shares will continue to be listed on the TSX, however the post-Consolidation Common Shares will be assigned new CUSIP and ISIN numbers.

### **Effect on Convertible Securities**

Subject to prior approval of the TSX, the exercise or conversion price and/or the number of Common Shares issuable under any of the Corporation’s outstanding convertible securities, stock options, share units, rights and any other similar securities, will be proportionately adjusted upon the implementation of the Consolidation based on the Consolidation ratio, and the number of Common Shares reserved for issuance under the Corporation’s omnibus long-term incentive plan will be reduced proportionately based on the Consolidated ratio. Similarly, the applicable exercise prices and the numbers of Common Shares issuable pursuant to the exercise of the Common Share purchase warrants issued will be proportionately adjusted upon the implementation of the Consolidation, based on the Consolidation ratio selected by the Board, subject to TSX approval. Shareholder approval is not required in order for the Board to make the necessary adjustments mentioned above in order to give effect to the Consolidation.

### **Effect on Share Certificates**

If the Consolidation is approved by shareholders and subsequently implemented, those registered shareholders who will hold at least one new post-Consolidation Common Share will be required to exchange their share certificates representing old pre-Consolidation Common Shares for new share certificates representing new post-Consolidation Common Shares or, alternatively, a Direct Registration System (“**DRS**”) Advice/Statement representing the number of new post-Consolidation Common Shares they hold following the Consolidation. The DRS is an electronic registration system which allows Shareholders to hold Common Shares in their name in book based form, as evidenced by a DRS Advice/Statement rather than a physical share certificate.

If the Consolidation is implemented, we (or our transfer agent) will mail to each registered shareholder a letter of transmittal. Each registered shareholder must complete and sign a letter of transmittal after the Consolidation takes effect. The letter of transmittal will contain instructions on how to surrender to the transfer agent the certificate(s) representing the registered shareholder’s old pre-Consolidation Common Shares. The transfer agent will send to each registered shareholder who follows the instructions provided in the letter of transmittal a new share certificate representing the number of new post-Consolidation Common Shares to which the registered shareholder is entitled rounded up or down to the nearest whole number or, alternatively, a DRS Advice/Statement representing the number of new post-Consolidation Common Shares the registered shareholder holds following the Consolidation. Beneficial Shareholders who hold their Common Shares through intermediaries (securities brokers, dealers, banks, financial institutions, etc.) should contact their intermediaries with respect to the Consolidation.

Until surrendered to the transfer agent, each share certificate representing old pre-Consolidation Common Shares will be deemed for all purposes to represent the number of new post-Consolidation Common Shares to which the registered shareholder is entitled as a result of the Consolidation. Until registered shareholders have returned their properly completed and duly executed letter of transmittal and surrendered their old share certificate(s) for exchange, registered shareholders will not be entitled to receive any other distributions, if any, that may be declared and payable to holders of record following the Consolidation.

Any registered shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that we and our transfer agent customarily apply in connection with lost, stolen or destroyed certificates.

The method chosen for delivery of share certificates and letters of transmittal to the Corporation's transfer agent is the responsibility of the registered shareholder and neither the transfer agent nor the Corporation will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the transfer agent.

**REGISTERED SHAREHOLDERS SHOULD NEITHER DESTROY NOR SUBMIT ANY SHARE CERTIFICATE UNTIL HAVING RECEIVED A LETTER OF TRANSMITTAL.**

***Effect on Non-Registered Shareholders***

Beneficial Shareholders holding Common Shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Consolidation than those that will be put in place by us for registered shareholders. If shareholders hold their Common Shares through an intermediary and they have questions in this regard, they are encouraged to contact their intermediaries.

**No Fractional Shares**

No fractional Common Shares will be issued pursuant to the Consolidation. In lieu of any such fractional Common Shares, each registered shareholder otherwise entitled to a fractional Common Share following the implementation of the Consolidation will receive the nearest whole number of post-consolidation Common Shares. For example, any fractional interest representing less than 0.5 of a post-consolidation Common Share will not entitle the holder thereof to receive a post-Consolidation Common Share and any fractional interest representing 0.5 or more of a post-consolidation Common Share will entitle the holder thereof to receive one whole post-consolidation Common Share. In calculating such fractional interests, all Common Shares registered in the name of each registered shareholder will be aggregated.

***No Dissent Rights***

Shareholders are not entitled to exercise any statutory dissent rights with respect to the proposed Consolidation.

***Accounting Consequences***

If the Consolidation is implemented, net income or loss per share, and other per share amounts, may be increased because there will be fewer shares issued and outstanding. In future financial statements, net income or loss per Common Share and other per share amounts for periods ending before the Consolidation took effect would be recast to give retroactive effect to the Consolidation, however in the long term, any per share amount, including those described above, may not increase solely as a result of the Consolidation.

***Consolidation Resolution***

The Consolidation is subject to: (a) receipt of all required regulatory approvals, including approval of the TSX; and (b) the approval of the shareholders at the Meeting. If these approvals are received, the Consolidation will occur at a time determined by the Board and the Corporation will issue a press release to confirm the completion of the Consolidation. The Consolidation will become effective on the date shown on the Certificate of Amendment issued by the Registrar under the *Business Corporations Act* (Alberta) (the "**ABCA**") or such other date indicated in the articles of amendment. Notwithstanding approvals being received, the Board may determine not to proceed with the Consolidation at its discretion. It is currently anticipated that the Consolidation will occur shortly after the Meeting.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, approve the special resolution set forth below (the "**Consolidation Resolution**") authorizing the Board to file Articles of Amendment giving effect to the Consolidation on the basis of one (1) new post-consolidation Common Share for every five (5) currently outstanding Common Shares. The full text of the Consolidation Resolution is set out below:

“**BE IT RESOLVED**, as a special resolution of the shareholders of Canacol Energy Ltd. (the “**Corporation**”) that:

1. the Articles of the Corporation be amended to change the number of issued and outstanding common shares (“**Common Shares**”) of the Corporation by consolidating the issued and outstanding Common Shares on the basis of one (1) new Common Share for every five (5) existing Common Shares (the “**Consolidation**”), such amendment to become effective at a date in the future to be determined by the board of directors (the “**Board**”) of the Corporation when the Board considers it to be in the best interests of the Corporation to implement such Consolidation, subject to all necessary stock exchange approvals;
2. the amendment to the Articles of the Corporation giving effect to the Consolidation will provide that no fractional Common Shares will be issued in connection with the Consolidation and the number of post-Consolidation Common Shares to be received by a holder will be rounded up, in the case of a fractional interest that is 0.5 or greater, or rounded down, in the case of a fractional interest that is less than 0.5, to the nearest whole number of shares that such holder would otherwise be entitled to receive upon the implementation of the Consolidation;
3. notwithstanding that this special resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors; and
4. any one director or officer of the Corporation be, and each of them is hereby, authorized and directed for and in the name of and on behalf of the Corporation, to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

In order to be passed, the foregoing special resolution must be approved by not less than two-third (66 2/3%) of the votes cast by shareholders who vote in person or by proxy at the Meeting. The persons named in the accompanying proxy will vote **IN FAVOUR** of the Consolidation Resolution unless a shareholder specifies otherwise in the proxy.

Notwithstanding shareholder approval of the Consolidation Resolution at the Meeting, the Board may, in its sole discretion, determine not to proceed with the Consolidation or may choose when to effect the Consolidation.

## 2. Approval of New By-Law No. 1

On November 9, 2022, the Board approved the adoption of the Corporation’s new By-law No. 1 (“**New By-Law No. 1**”), subject to confirmation by shareholders at the Meeting and the acceptance of the New By-Law No. 1 by the TSX. A copy of New By-Law No. 1 is attached hereto as Schedule A.

The New By-Law No. 1 has been updated to reflect common current corporate practices, relative to those that were in place when the Corporation’s by-laws were originally established, being:

- (a) an increase to the quorum requirement for meetings of shareholders of the Corporation, including at the Meeting, to two persons present in person or by proxy holding or representing not less than 25% of the outstanding shares entitled to vote at the meeting;
- (b) the removal of a second or casting vote for the Chairman of the Board in the event of an equality of votes at any meeting of the Board;
- (c) the removal of the 65 day maximum threshold for notice under the advance notice provisions regarding advance notice of nominations of directors of the Corporation (the “**Advance Notice Provisions**”);
- (d) the addition of a 40 day notice period requirement under the Advance Notice Provisions in the event the Notice-and-Access Provisions are used for delivery of the proxy related materials in respect of the applicable shareholder meeting;

- (e) the clarification of the voting procedures and the use of telephone or other communication facilities for shareholders meetings to allow for hybrid and virtual-only shareholder meetings; and
- (f) amendments of a “housekeeping” nature.

The ABCA provides that when directors resolve to make, amend or repeal any by-laws that regulate the business or affairs of a corporation, they must submit the by-law, amendment or repeal of a by-law to the shareholders at the next meeting of shareholders, and the shareholders may, by ordinary resolution confirm, reject or amend the by-law, amendment or repeal.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, approve the ordinary resolution set forth below (the “**New By-Law No. 1 Resolution**”) repealing the current by-laws of the Corporation and replacing them with New By-Law No. 1. The full text of the New By-Law No.1 Resolution is set out below:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of Canacol Energy Ltd. (the “**Corporation**”) that:

1. the current by-laws of the Corporation be repealed;
2. the adoption of new By-law No. 1 (the “**New By-Law No. 1**”) relating generally to the transaction of the business and affairs of the Corporation, as approved by the board of directors of the Corporation on November 9, 2022 and attached as Schedule A to the management information circular of the Corporation dated November 9, 2022, be and is hereby approved and confirmed;
3. notwithstanding that this ordinary resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation may in their sole discretion revoke this ordinary resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the shareholders; and
4. any one director or officer of the Corporation is authorized and directed for and in the name of and on behalf of the Corporation to execute and deliver New By-Law No. 1 and all other documents and instruments and take all such other actions as may be necessary or desirable in order to carry out the terms of this ordinary resolution, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.”

In order to be passed, the foregoing ordinary resolution must be approved by a simple majority of the votes cast by shareholders who vote in person or by proxy at the Meeting. The persons named in the accompanying proxy will vote **IN FAVOUR** of the New By-law No.1 Resolution unless a shareholder specifies otherwise in the proxy.

If approved by ordinary resolution, New By-Law No. 1 will remain in full force and effect after the Meeting. If New By-Law No. 1 is not approved by ordinary resolution, New By-Law No. 1 will be of no force and effect.

## INTEREST OF MANAGEMENT AND INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors, proposed directors or executive officers of the Corporation, of any shareholder who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any other informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or any known associate or affiliate of such persons, in any transaction since the commencement of the most recently completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has

held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR.

A shareholder may contact the Corporation at Suite 2000, 215 - 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1K3, Attention: Chief Financial Officer, to obtain a copy of the Corporation's most recent financial statements, management discussion and analysis and annual information form.

## GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All special resolutions, if any, to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders, if any, require the approval of the shareholders not affected by, or interested in, the matter to be approved.

## OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

## APPROVAL

The contents and sending of this Circular has been approved by the Board.

**SCHEDULE A**  
**NEW BY-LAWS**

(attached)

## BY-LAW NO. 1

A by-law relating generally to  
the transaction of the business  
and affairs of

**CANACOL ENERGY LTD.**  
(the "Corporation")

### DIRECTORS AND OFFICERS

1. **Calling of and Notice of Meetings** - Meetings of the board shall be held at such place and time and on such day as the chairman of the board, president, chief executive officer or a vice-president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held, provided that, if a quorum of directors is present, the board may without notice hold a meeting immediately following an annual meeting of shareholders. Notice of a meeting of the board may be given verbally, in writing or by electronic means, telephone or any other means of communication. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Business Corporations Act (as defined herein). Notwithstanding the foregoing, the board may from time to time fix a day or days in any month or months for regular meetings of the board at a place and hour to be named, in which case no other notice shall be required for any such regular meeting except where the Business Corporations Act requires specification of the purpose or the business to be transacted thereat. Notice of any meeting of directors or the time for the giving of any such notice or any irregularity in any meeting or in the notice thereof may be waived by any director verbally at a meeting of the board, in writing or by electronic means to the Corporation or in any other manner, and any such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at any meeting of directors is a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
2. **Quorum** - The quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors then elected or appointed.
3. **Place of Meeting** - Meetings of the board may be held in or outside Canada.
4. **Votes to Govern** - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.
5. **Interest of Directors and Officers Generally in Contracts** - No director or officer shall be disqualified by his or her office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Business Corporations Act.
6. **Appointment of Officers** - The board from time to time may appoint one or more officers of the Corporation and, without prejudice to rights under any employment contract, may remove any officer of the Corporation. The powers and duties of each officer of the Corporation shall be those determined from time to time by the board and, in the absence of such determination, shall be those

usually incidental to the office held and, in accordance with this by-law and subject to the provisions of the Business Corporations Act, the board may delegate to such officers powers to manage the business and affairs of the Corporation. Subject to the provisions of this by-law, an officer may but need not be a director and one person may hold more than one office.

7. **Chairman of the Board** - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him or her any of the powers and duties that are by any provisions of this by-law assigned to the managing or lead director or to the president; and he or she shall, subject to the provisions of the Business Corporations Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his or her duties shall be performed and his or her powers exercised by the managing or lead director, if any, or by the president.
8. **Managing or Lead Director** - The board may from time to time appoint a managing or lead director who shall be a director. If appointed, he or she shall have such powers and duties as the board may specify.
9. **Committees** - Subject to the Business Corporations Act, the board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board. The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. At all meetings of committees every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Unless otherwise determined by the board, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chairman and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the board. Each member of a committee shall serve during the pleasure of the board and, in any event, only so long as he or she shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.
10. **Agents and Attorneys** - The board shall have the power from time to time to appoint agents and attorneys for the Corporation in or outside Canada with such powers as the board sees fit.

#### **SHAREHOLDERS' MEETINGS**

11. **Quorum** - Subject to the requirements of the Business Corporations Act, a quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than twenty-five (25%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.
12. **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Business Corporations Act, be determined by the majority of votes cast on the question. In case of an equality of votes either upon a show of hands or voice vote or upon a poll, the chairman of the meeting shall not be entitled a second or casting vote.
13. **Show of Hands** - Subject to the provisions of the Business Corporations Act, any question at a meeting of shareholders shall be decided by a show of hands or voice vote unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands or voice vote every person who is present and entitled to vote shall have one vote per share. Whenever a vote by show of hands or voice vote shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the

minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

14. **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands or voice vote has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he or she is entitled to vote at the meeting upon the question, to that number of votes provided by the Business Corporations Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

#### **ADVANCE NOTICE OF NOMINATION OF DIRECTORS**

15. **Nomination of Directors.** – Subject only to the Business Corporations Act, the articles of the Corporation and applicable securities laws, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which a special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting of shareholders, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act or (c) by any person (a **"Nominating Shareholder"**) (i) who, at the close of business on the date of the giving of the notice provided for below in this Section 15 and on the record date for the receipt of notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting, or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this Section 15:
- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form (the **"Notice"**) to the Chief Executive Officer of the Corporation at the principal executive offices of the Corporation, in accordance with this Section 15.
- (b) To be timely, a Notice to the Chief Executive Officer of the Corporation must be given:
- (i) in the case of an annual general meeting (including an annual and special meeting) of shareholders, not less than 30 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is called for at a date that is less than 50 days after the date (the **"Notice Date"**) on which the first public announcement of the date of the annual general meeting was made, the Notice must be given by the Nominating Shareholder not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and
- (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the date on which the first public announcement of the date of the special meeting of shareholders was made,

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is

used for delivery of proxy related materials in respect of a meeting described in Section 15(b)(i) or Section 15(b)(ii) and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the date of the applicable meeting.

To the extent that the applicable annual meeting or special meeting of shareholders is adjourned or postponed, the time periods for the giving Notice set forth above shall be calculated based on the new adjourned or postponed date of the annual meeting or special meeting of shareholders and not based on the original date of such meeting.

- (c) To be in proper written form, the Notice to the Chief Executive Officer of the Corporation must set forth:
  - (i) as to each person who the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) whether the person is a resident Canadian with the meaning of the Business Corporations Act, (D) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such Notice and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and applicable securities laws; and
  - (ii) as to the Nominating Shareholder, any proxy, contract, arrangement, understanding, relationship or any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and applicable securities laws.
- (d) In addition, to be considered timely and in proper written form, a Nominating Shareholder's Notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such Notice shall be true and correct as of the record date for the meeting.
- (e) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that would reasonably be expected to be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee.
- (f) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 15; provided, however, that nothing herein shall be deemed to preclude discussions by a shareholder (as distinct from seeking to nominate directors) at a meeting of shareholders, on any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such nomination is invalid due to its non-compliance with this Section 15.
- (g) For purposes of this Section 15:

- (i) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
  - (ii) **"applicable securities laws"** means the securities legislation in those provinces and territories of Canada to which the Corporation is subject, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the relevant provinces and territories of Canada.
- (h) Notwithstanding any other provisions of the by-laws of the Corporation, Notice given to the Chief Executive Officer of the Corporation pursuant to this Section 15 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Chief Executive Officer of the Corporation for the purposes of such Notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Chief Executive Officer at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day, or later than 5:00 pm (Calgary time) on a day which is a business day, then such a delivery or electronic communication shall be deemed to have been made on the next following business day.
- (i) Notwithstanding any of the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 15.

#### **MEETING BY ELECTRONIC MEANS OR TELEPHONE**

16. **Directors** - A director may participate in a meeting of the board or of a committee of the board by electronic means, telephone or other communication facilities ("**Communication Facilities**"), or entirely by Communication Facilities, if such Communication Facilities permit all persons participating in such meeting to hear each other.
17. **Shareholders** - A shareholder or any other person entitled to attend a meeting of shareholders may participate in a meeting of shareholders by Communication Facilities if such Communications Facilities permit all persons participating in such meeting to hear or otherwise communicate with each other (collectively, "**Hybrid Communications**").
18. **Virtual Meeting** - If the directors or the shareholders of the Corporation call a meeting of shareholders, those directors or shareholders, as the case may be, may determine that the meeting shall be held, entirely by Communication Facilities if such Communication Facilities permit all participants in such meeting to communicate adequately with each other during the meeting (collectively, "**Virtual Communications**").

For the purposes of this Section 18:

- (a) any shareholder or other person entitled to attend the meeting and participating by Communication Facilities or establishing a communications link through the Communications Facilities to the meeting shall be deemed to be present in person at the meeting;
- (b) any and all communications or participation to the meeting through Hybrid Communications, including through a moderator, electronic interface or establishing a

communications link via Hybrid Communications, shall be deemed to allow for participants to hear or otherwise communicate with each other;

- (c) any and all communications or participation in the meeting through Virtual Communications, including through a moderator, electronic interface or establishing a communications link via Virtual Communications, shall be deemed to allow for participants to "communicate adequately with each other"; and
- (d) if the notice of meeting does not specify a location for the meeting and provides for participation by Electronic Means, the meeting shall be deemed to be held at the registered office of the Corporation.

## INDEMNIFICATION

- 19. **Indemnification of Directors and Officers** - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his or her heirs and legal representatives to the extent permitted by the Business Corporations Act.
- 20. **Indemnity of Others** - Except as otherwise required by the Business Corporations Act and subject to this Section 20, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his or her conduct was lawful.
- 21. **Right of Indemnity Not Exclusive** - The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.
- 22. **No Liability of Directors or Officers for Certain Matters** - To the extent permitted by law, no director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with

any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same shall happen by or through his or her failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his or her being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

### DIVIDENDS

23. **Dividends** - Subject to the provisions of the Business Corporations Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.
24. **Dividend Cheques** - A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his or her recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.
25. **Non-Receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnify, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.
26. **Unclaimed Dividends** - Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

### BANKING ARRANGEMENTS, CONTRACTS, DIVISIONS ETC.

27. **Banking Arrangements** - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.
28. **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one officer or director and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by

facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

29. **Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.
30. **Creation and Consolidation of Divisions** - The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.
31. **Name of Division** - Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.
32. **Officers of Divisions** - From time to time the board or a person designated by the board, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or a person designated by the board, may remove at its or his or her pleasure any officer so appointed, without prejudice to such officers rights under any employment contract. Officers of divisions or their sub-units shall not, as such be officers of the Corporation.

#### MISCELLANEOUS

33. **Invalidity of Any Provisions of This By-Law** - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.
34. **Share Certificates, Acknowledgements and Direct Registration System** - Every shareholder of one or more shares of the Corporation shall be entitled, at the shareholder's option, to a share certificate that complies with the Business Corporations Act or a non-transferable written acknowledgment that complies with the Business Corporations Act of the shareholder's right to obtain a share certificate from the Corporation in respect of the shares of the Corporation held by such shareholder in an amount as shown on the securities register of the Corporation. Any share certificate issued pursuant to this Section 34 shall be in such form as the board may from time to time approve, shall be signed by the Corporation in accordance with Section 28 and need not be under the corporate seal.

For greater certainty, but subject to the first paragraph of this Section 34, a registered shareholder may have his holdings of shares of the Corporation evidenced by an electronic, book-based, direct registration system or other non-certificated entry or position on the register of shareholders to be kept by the Corporation in place of a physical share certificate pursuant to such a registration

system that may be adopted by the Corporation, in conjunction with its transfer agent. This by-law shall be read such that a registered holder of shares of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of shares evidenced by a physical share certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a share registration system by electronic, book-based, direct registration system or other non-certificated means.

35. **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

### INTERPRETATION

36. **Interpretation** - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; "articles" include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; "board" shall mean the board of directors of the Corporation; "Business Corporations Act" shall mean the *Business Corporations Act (Alberta)*, R.S.A. 2000, c. B-9, as amended from time to time, or any Act that may hereafter be substituted therefor; "meeting of shareholders" shall mean and include an annual meeting of shareholders and a special meeting of shareholders of the Corporation; and "signing officers" means any person authorized to sign on behalf of the Corporation pursuant to Section 28.

**MADE** by board the 9<sup>th</sup> day of November, 2022.

(signed) "*Jason Bednar*"

\_\_\_\_\_  
Authorized Signatory

**CONFIRMED** by shareholders of the Corporation in accordance with the Business Corporation Act the 19<sup>th</sup> day of December, 2022.

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Authorized Signatory