

VERTICAL EXPLORATION INC.
Suite 1240 - 789 West Pender Street
Vancouver, British Columbia, Canada V6C 1H2
Telephone (604) 683-3995

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual general meeting (the "**Meeting**") of Shareholders of **VERTICAL EXPLORATION INC.** (the "**Company**") will be held via Microsoft Teams conference, meeting ID: 255 788 928 103 (access passcode: aM2NJL), on Thursday, September 21, 2023, at 10:00 a.m., Vancouver time, for the following purposes:

1. To receive the report of the Directors of the Company;
2. To receive and consider the audited financial statements of the Company for its fiscal period ended February 28, 2023, and the report of the auditor thereon;
3. To fix the number of Directors of the Company at four;
4. To elect Directors of the Company for the ensuing year;
5. To appoint auditors for the ensuing year and to authorize the Directors to fix their remuneration;
6. To consider and, if thought fit, to pass an ordinary resolution ratifying and approving the Company's amended and restated 10% rolling stock option plan and make such changes to the amended and restated Stock Option Plan as may be required or approved by regulatory authorities; and
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The Information Circular dated August 10, 2023, and the form of Proxy accompany this Notice. The Information Circular contains details of matters to be considered at the Meeting.

IMPORTANT NOTICE

As the Company will be holding the Meeting by Microsoft Teams conference only, shareholders are urged to vote on matters prior to the Meeting by proxy and to listen to the Meeting via Microsoft Teams conference. Registered shareholders or proxyholders representing registered shareholders participating in the Meeting by Microsoft Teams conference will not be considered to be present in person at the Meeting for the purposes of determining quorum. Non-registered shareholders who have not duly appointed themselves as a proxyholder will be able to attend the Meeting as a guest, but will not be able to vote at the Meeting.

All shareholders are entitled to attend the Meeting via Microsoft Teams conference and vote by proxy.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of Proxy, or another suitable form of Proxy, and deliver it by fax, by hand or by mail in accordance with the instructions set out in the form of Proxy and in the Information Circular.

Shareholders will be able to listen to the Meeting via Microsoft Teams conference.

DATED at Vancouver, British Columbia, this 10th day of August, 2023.

BY ORDER OF THE BOARD

"Peter Swistak"

Peter Swistak
President, Chief Executive Officer and Director

VERTICAL EXPLORATION INC.
Suite 1240 – 789 West Pender Street
Vancouver, British Columbia, Canada V6C 1H2
Telephone (604) 683-3995

INFORMATION CIRCULAR

Solicitation of Proxies

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Vertical Exploration Inc. (the “**Company**”) for use at the annual general meeting of shareholders (the “**Shareholders**”) of the Company (the “**Meeting**”) to be held in a virtual-only format via Microsoft Teams conference, meeting ID: 255 788 928 103 (access passcode: aM2NJL), on September 21, 2023, at 10:00 a.m. (Vancouver time) and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to the “**Company**”, “**we**” and “**our**” refer to Vertical Exploration Inc. “**Common Shares**” means common shares in the authorized share structure of the Company. “**Beneficial Shareholders**” means Shareholders who do not hold Common Shares in their own name and “**intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

Date of Information Circular

Information contained in this Information Circular is given as at August 10, 2023, unless otherwise indicated.

VIRTUAL MEETING

The Company will be holding its Meeting in a virtual only format. Shareholders will have an equal opportunity to participate at the Meeting online regardless of geographic location. Registered shareholders and proxyholders will be able to attend the virtual meeting via Microsoft Teams conference. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the virtual Meeting as a guest, but will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the non-registered shareholders, and, as a result, will have no knowledge of their shareholdings or entitlement to vote unless they appoint themselves as proxyholder. Please see “Appointment of Proxyholder” and “Revocability of Proxies” below.

The Meeting will be held via Microsoft Teams conference. Registered shareholders participating via Microsoft Teams conference will not be able to vote at the Meeting as the Company’s scrutineer must take steps to verify the identity of registered shareholders.

In order to sign into the Meeting within Canada, shareholders will sign into Microsoft Teams meeting ID: 255 788 928 103 and enter the access passcode noted below.

aM2NJL

GENERAL PROXY INFORMATION

Revocability of Proxies

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by either:

- (a) executing a proxy bearing a later date; or
- (b) executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the Shareholder's authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the Proxy bearing a later date with Computershare Investor Services Inc., or at the address of the registered office of the Company at Suite 700 - 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (c) by the registered Shareholder personally attending the Meeting and voting the registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Appointment of Proxyholders

A Shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be Shareholders, to attend and act at the Meeting for the Shareholder on the Shareholder's behalf.

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Company (the "**Management Designees**"). **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of **Computershare Investor Services Inc., at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524, or by telephone to 1-866-732-VOTE (8683) or internet at www.investorvote.com** not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Exercise of Discretion

The Management Designees named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the Shareholder on any ballot that may be called for. The Proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

Proxy Voting Options

If you are a registered Shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc., at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524, or by telephone to 1-866-732-VOTE (8683) or internet at www.investorvote.com at any time up to and including 10:00 a.m. (Vancouver time) on September 19, 2023.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. 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 the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides its 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.

If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the form of Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. 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. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal Proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than as disclosed herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed August 10, 2023, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value of the Company. As of the Record Date, the Company had outstanding 137,444,053 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company has no other classes of voting securities.

Except as disclosed below, to the knowledge of the Directors and executive officers of the Company, no one beneficial owner owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the outstanding voting rights of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

Recommendation of the Board

The Board unanimously recommends that Shareholders vote in favour of all resolutions.

ELECTION OF DIRECTORS

The Board currently consists of four directors. Management proposes to fix the number of directors of the Company at four (4) and to nominate the persons listed below for election as directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the British Columbia *Business Corporations Act* or the Articles of the Company, each director elected will hold office until the conclusion

of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each beneficially owns or over which control or direction is exercised:

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment⁽¹⁾	Director of the Company Since	Committee Membership	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised⁽²⁾
Ernest Brisbane Director British Columbia, Canada	Consulting Engineer from 1989 to present.	December 15, 2015	Audit Committee and Compensation Committee	1,925,000
Seung Oh Director British Columbia, Canada	Member of the Institute of Chartered Accountants of British Columbia. Partner at KIM & OH LLP Chartered Accountants providing accounting and tax services to various Canadian public and private corporations. Former financial Accounting instructor at Columbia College, Vancouver. Previously worked with Manning Elliott LLP in the Assurance Department primarily focused on mining companies listed on North American stock exchanges from 2007 to 2010 and with James Stafford Chartered Accountants in 2006.	November 6, 2013	Audit Committee and Compensation Committee	Nil
John J. Sutherland Director British Columbia, Canada	Financial and Strategic Advisor of Salish Soils Inc. since August 2017. Chief Operating Officer of RKlix Rewards Inc. from February 2013 to June 2019. Interim Chief Executive Officer from August 2021 to October 2022 and Chairman of the Board since November 2022 of Rhiza Capital Inc. Chief Financial Officer of XPO Technologies Inc. since July 2019.	June 22, 2017	Audit Committee and Compensation Committee	100,000
Peter Swistak Director, President & CEO British Columbia, Canada	President & CEO of Vertical Exploration from January 2012 to present.	January 26, 2012	N/A	5,707,000

(1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.

(2) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by Computershare Investor Services Inc., the registrar and transfer agent of the Company, insider reports filed on SEDI and by the nominees themselves.

To the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company that,

- (a) was subject to an order 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 an order 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.

Other than as set out below, to the knowledge of the Company, no proposed director of the Company was, as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including Vertical Exploration Inc.) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On February 5, 2015, Ernest Brisbane declared bankruptcy and went into insolvency proceedings. He was at the time a director of the Company and resigned on March 20, 2015. Mr. Brisbane made a proposal under the *Bankruptcy and Insolvency Act* (Canada) and was discharged on November 6, 2015.

Other than as set out above, no proposed director of the Company has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

COMPENSATION OF EXECUTIVE OFFICERS

Compensation Discussion and Analysis

The Board as a whole has the responsibility of determining the compensation for the President (the "**President**") and the Chief Financial Officer (the "**CFO**") and of determining compensation for directors and senior management.

The Company's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

General

The following information of the Company is provided in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*.

For the purposes 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 any of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries

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

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;

(c) in respect of the Company in its subsidiaries, the most highly compensated executive officer other than the 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;

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individuals was not an executive officer of the Company, and was not acting in a similar capacity at the end of that financial year;

“**plan**” includes any plans, 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 NEO Compensation, excluding Compensation Securities

Peter Swistak, the Company's President, Chief Executive Officer and Secretary and Seung Oh, the Company's CFO are the named executive officers” or NEOs of the Company for the purposes of the following disclosure with respect to the financial year ended February 28, 2023. There are no other executive officers of the Company whose total compensation exceeded \$150,000 in the financial year ended February 28, 2023.

During the financial year ended February 28, 2023, the directors of the Company who were not also NEOs were Ernest Brisbane and John J. Sutherland.

The following table sets forth all direct and indirect compensation paid, payable, given or otherwise provided directly or indirectly, by the Company to each NEO and each director of the Company as of the financial years ended February 28, 2023, February 28, 2022 and February 28, 2021:

Table of Compensation Excluding Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Peter Swistak President, CEO, Secretary and Director	2023	Nil	Nil	Nil	Nil	120,000	120,000
	2022	Nil	Nil	Nil	Nil	120,000	120,000
	2021	Nil	Nil	Nil	Nil	120,000	120,000

Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total Compensation (\$)
Seung Oh CFO	2023	Nil	Nil	Nil	Nil	3,600	3,600
	2022	Nil	Nil	Nil	Nil	4,400	4,400
	2021	Nil	Nil	Nil	Nil	2,000	2,000
Ernest Brisbane Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
John J. Sutherland Director	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Stock Options and Other Compensation Securities

The Company has an incentive stock option plan in place for the granting of stock options to directors, officers, employees and consultants of the company. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company's shareholders.

The Company's share option plan (the "**Plan**") was most recently amended and approved by the board of directors (the "**Board**") of the Company in its current form on July 17, 2023. Under the Plan, options totalling a maximum of 10% of the Common Shares outstanding from time to time are available for grant. The Plan is a 10% maximum rolling plan. Options granted under the Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option.

Options granted under the plan are non-assignable and non-transferable, and can only be exercised by the optionee as long as the optionee remains eligible pursuant to the Plan, or within the time period outlined in the Plan after ceasing to be an eligible optionee.

Subject to necessary approvals as may be required under the Plan, the Board may from time to time amend or revise the terms of the Plan, or may terminate the Plan at any time.

No other types of securities were granted as compensation.

The following table sets forth incentive stock options pursuant to the Plan that were outstanding to NEOs and directors of the Company who were not NEOs during the financial year ended February 28, 2023.

Name and Position	Number of stock options, number of underlying securities and percentage of class ⁽¹⁾	Date of Issue or Grant	Option exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Expiry Date
Peter Swistak President, CEO and Director	450,000 (0.37%)	October 19, 2021	0.15	0.17	0.035	October 19, 2023
Seung Oh CFO	175,000 (0.14%)	October 19, 2021	0.15	0.17	0.035	October 19, 2023

Name and Position	Number of stock options, number of underlying securities and percentage of class ⁽¹⁾	Date of Issue or Grant	Option exercise price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Expiry Date
Ernest Brisbane Director	200,000 (0.16%)	October 19, 2021	0.15	0.17	0.035	October 19, 2023
John J. Sutherland Director	175,000 (0.14%)	October 19, 2021	0.15	0.17	0.035	October 19, 2023

(1) Percentage of options issued compared to the total issued and outstanding shares of the Company as at February 28, 2023 being 123,284,053.

No stock options were exercised by a director or NEO of the Company during the financial year ended February 28, 2023.

Employment, Consulting and Management Agreements

There were no employment, consulting or management contracts between the Company and a NEO or director under which compensation was provided during the financial year ended February 28, 2023 or is payable in respect of services provided to the Company that were performed by a director or NEO.

Oversight and Description of Director and NEO Compensation

The Board as a whole has the responsibility of determining the compensation for the CEO and the CFO and of determining compensation for directors and senior management.

The Company's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objectives and reasons for this system of compensation are to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not

evaluated against a formal “peer group”. The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

Pension Arrangements

The Company does not have a pension plan that provides for payments or benefits to the NEOs, directors or employees at, following, or in connection with retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan that the Company has in place is its amended and restated 2023 stock option plan (the “Plan”). The Plan was established to provide an incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements with directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company’s other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding Common Shares at the date of grant. All options expire on a date not later than ten years after the issuance of such option.

The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company’s most recently completed fiscal 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 securityholders	5,575,000	0.15	6,753,405
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	5,575,000	0.15	6,753,405

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company,

or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An “**informed person**” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

Since commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR

Management recommends that Shareholders vote to re-appoint Davidson & Company LLP, Chartered Accountants of 1200 - 609 Street, P.O. Box 10372, Pacific Centre, Vancouver, BC, V7Y 1G6, as auditors for the Company and to authorize the directors to fix their remuneration. Davidson & Company LLP has served as auditors since March 14, 2013. See “*External Auditor Service Fees*” under “*Audit Committee And Relationship With Auditor*”.

MANAGEMENT CONTRACTS

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”).

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The independent members of the Board of Directors of the Company are Ernest Brisbane and John J. Sutherland. The non-independent directors are Peter Swistak who is the President, Chief Executive Officer and Secretary of the Company and Seung Oh who is the Chief Financial Officer of the Company.

The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any the non-independent directors being present. Further supervision is performed through the Audit Committee who may meet with the Company's auditors without management being in attendance.

Directorships

None of the directors hold any directorships with other reporting issuers as at the date of this Information Circular.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's operations and on director responsibilities.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available to discussions with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Other Board Committees

The Company has no other committees other than the Audit Committee and the Compensation Committee.

Audit Committee

Audit Committee provides an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- (b) the Company's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company's independent auditors.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter, the Company's Articles and governing laws as the Audit Committee or Board deems necessary or appropriate. Ernest Brisbane, John J. Sutherland and Seung Oh are the members of the Audit Committee. See "*Audit Committee and Relationship with Auditor*".

Compensation Committee

The Compensation Committee is responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation.

For information relating to the Compensation Committee's report on executive compensation, see "Compensation of Executive Officers" above. The Compensation Committee meets at least once annually. Currently, the members are Ernest Brisbane, John Sutherland and Seung Oh, of whom Messrs. Brisbane and Sutherland are independent directors.

Assessments

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

Compensation

The Board is not compensated for acting as directors, except for being granted incentive stock options pursuant to the policies of the TSX-V and the Company's stock option plan. The Compensation Committee recommends to the Board the stock option grants for each director and the compensation of the senior officers. The Board then acts as a whole to determine and approve the final stock grants and compensation amounts.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committee* of the CSA ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "**Audit Committee**") and its relationship with its independent auditors, as set forth in the following.

Audit Committee Charter

The Company has adopted a charter (the "**Charter**") of the Audit Committee of the Board, which is attached as Schedule "A" to this Information Circular.

Composition of the Audit Committee

The current members of the Audit Committee are Ernest Brisbane, John Sutherland and Seung Oh. Messrs. Brisbane and Sutherland are independent and Seung Oh is not independent. All members are considered to be financially literate.

Relevant Education and Experience

Mr. Brisbane

Mr. Brisbane is a Senior Engineer and has over 25 years' experience in the mining industry. Mr. Brisbane has sufficient financial knowledge and has the ability to understand a set of financial statements that

represent a breadth and complexity of the issues that can reasonably be expected to be raised by a reporting company's financial statements.

Mr. Sutherland

Mr. John J. Sutherland CPA, CGA, is a well experienced director and mining executive. In over fourteen boards of public companies, Mr. Sutherland has served as the Chair of the Audit Committee and has a keen interest in corporate governance.

In his mining career, Mr. Sutherland was a long-term director of Aquiline Resources Inc. leading up to its \$626 million take-over by Pan American Silver Corp., the Vice President, Finance of Arequipa Resources Ltd. for the \$1.1 billion take-over by Barrick Gold Corporation and the Financial Officer and Vice President, Site Construction of Sonora Gold Corp.'s 120,000-ounce producer.

Mr. Sutherland has raised over \$300 million for mining, technology, industrial and transportation companies listed on the Toronto Stock Exchange, TSX-V and NYSE American exchange with a track record of structuring and building successful organizations, Mr. Sutherland has also been nominated for the Ernst & Young Entrepreneur of the Year Award while he was the CEO of a technology company.

Ms. Seung Oh

Ms. Oh is a member of the Chartered Professional Accountants of British Columbia, with over seven years of experience in Canadian and U.S. public corporations. She received her Bachelor of Business Administration degree from Simon Fraser University in 2006. From 2007 to 2010, Ms. Oh worked with Manning Elliott LLP in the Assurance Department primarily focused on mining companies listed on North American stock exchanges. From 2012 to 2013, Mrs. Oh taught financial accounting and managerial accounting at Columbia College in Vancouver. Mrs. Oh is currently a practitioner at Seung Oh Ltd. Chartered Professional Accountant (formerly partner at Kim & Oh LLP. Chartered Accountants), providing accounting and tax services to various Canadian public and private corporations.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

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 Company's Audit Committee Charter.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended February 28, 2023	Fees Paid to Auditor in Year Ended February 28, 2022
Audit Fees ⁽¹⁾	\$32,500	\$22,000
Audit-Related Fees ⁽²⁾	-	-
Tax Fees ⁽³⁾	-	-
All Other Fees ⁽⁴⁾	-	-
Total	\$32,500	\$22,000

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of Amended and Restated Stock Option Plan

The TSX-V requires listed companies that have "rolling" stock option plans in place to receive shareholder approval of such plans on a yearly basis and as such the previous iteration of the stock option plan was approved at the last annual general meeting held on September 22, 2022 (the "**Previous Plan**"). As of November 24, 2021, the TSX-V amended its policies with regards to stock option plans and accordingly, the shareholders of the Company will be asked at the Meeting to ratify and approve the amended and restated stock option plan (the "**Plan**"), as compared to the Previous Plan, which contains terms substantively similar to the Previous Plan previously approved by the Shareholders and the TSX-V save for the sections of the Plan affected by the amendments to the TSX-V policies.

The purpose of the Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in the value of the Company's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the policies of the TSX-V. As at August 10, 2023, this represents 13,744,405 Common Shares available under the Plan, of which 9,325,000 are issued and 4,419,405 are reserved and available for issuance under the Plan.

Under the Plan, the option price must not be less than the exercise price permitted by the TSX-V. The current policies of the TSX-V state that the option price must not be less than the closing prices of the Common Shares listed on the TSX-V on the day immediately preceding the date of grant, less the

applicable discount permitted by the policies of the TSX-V. An option must be exercised within a period of ten years from the date of granting. Within this ten year period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the Plan requires the approval of the TSX-V and may require Shareholder approval.

The material terms of the Plan are as follows:

1. Options may be granted to Directors, Officers, Consultants and Employees of the Company or its subsidiaries, and to Management Companies and Management Company Employees, as such terms are defined in the Plan.
2. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Company's Common Shares on the day preceding the date on which the directors grant such options, less any discount permitted by the TSX-V or such other price as may be required by the TSX-V, to a minimum of \$0.05 per share.
4. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the closing price of the Company's Common Shares the day on which the directors grant such options, less any discount permitted by the TSX-V.
5. No vesting requirements will apply to options granted under the Plan other than as required by TSX-V policies; however, a four-month hold period may apply to shares issued under the option.
6. All options will be non-assignable and non-transferable, except in the case of the death of an Optionee, and subject to restrictions.
7. No more than (i) 5% of the issued Common Shares may be granted to any one individual in any 12-month period; and (ii) 2% of the issued Common Shares may be granted to a consultant, or an employee performing investor relations activities, in any 12-month period.
8. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death or disability), as the case may be, then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director or ceases to be employed by the Company, subject to the terms and conditions set out in the Plan. However, if the option holder is engaged in investor relations activities the options must expire within 30 days after the option holder ceases to be employed by the Company to provide investor relations activities, in accordance with the policies of the TSX-V.
9. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Company's issued Common Shares; and (iii) any grant of options to any one individual, within a 12-month period, exceeding 5% of the Company's issued Common Shares.
10. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The Plan is subject to annual shareholder approval and TSX-V acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, approve an ordinary resolution ratifying and approving the Plan.

The full text of the Plan, which is attached as Schedule "B" to this Information Circular, is an amended version of the Previous Plan with substantively the same terms, will be made available at the registered and records offices of the Company, Suite 700 – 401 West Georgia Street, Vancouver, British Columbia,

V6B 5A1, until 4 p.m. on the business day immediately preceding the date of the Meeting. The Plan is also available on the Internet at www.sedar.com.

Shareholder Approval

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

“BE IT RESOLVED that the Company’s Amended and Restated Stock Option Plan be and is hereby implemented, ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be approved for granting as options and that the board of directors be and are hereby authorized, without further shareholder approval, to make such changes to the Amended and Restated Stock Option Plan as may be required or approved by regulatory authorities.”

Other Matters

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

Additional Information

Additional information relating to the Company is available through the Company's profile on the SEDAR website at www.sedar.com.

Financial information on the Company is provided in the Company's comparative financial statements and management discussion and analysis of the most recently completed financial year ended February 28, 2023. Copies of the Company's financial statements and management discussion and analysis may be obtained upon request from the Company to the attention of: Peter Swistak at Suite 1240 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, Tel: 604-683-3995.

APPROVAL AND CERTIFICATION

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 10th day of August, 2023.

"Peter P. Swistak"

Peter P. Swistak
President, CEO and Director

SCHEDULE A

VERTICAL EXPLORATION INC. (the "Company")

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee ("**Committee**") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (b) the Company's systems of internal controls regarding finance, accounting and auditing; and (c) the Company's financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements; (ii) review and appraise the performance of the Company's external auditors; (iii) provide an open avenue of communication among the Company's auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee's composition shall be determined by the Board of Directors. Ideally, all members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can presumably be expected to be raised by the Company's financial statements. The Committee must comply with the requirements of National Instrument 52-110 Audit Committees. The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual Shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet as circumstances dictate, in person or by telephone conference call. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and, as necessary or appropriate, update the Charter annually.
- (b) Review the Company's annual and interim financial statements, MD&A, any earning statements, and press releases before the Company publicly discloses this information as well as any reports

or other financial information to be submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Company.
- (b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for Shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more

members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process for certificates required under National Instrument 52-109.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related party transactions.
- (b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("Concerns") relating to the Company such that:
 - i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
 - ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
 - iii) the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.

All of the foregoing in a manner that the individual submitting such Concerns shall have no fear of adverse consequences.

SCHEDULE B

VERTICAL EXPLORATION INC.

AMENDED & RESTATED STOCK OPTION PLAN

Please see attached.

VERTICAL EXPLORATION INC.

AMENDED AND RESTATED STOCK OPTION PLAN

ARTICLE 1 PURPOSE

1.1 **Purpose.** The purpose of this Plan is to advance the interests of the Company by encouraging the Directors, Officers, Employees and Consultants of the Company and its subsidiaries and affiliates, if any, to acquire common shares in the capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

ARTICLE 2 INTERPRETATION

2.1 **Definitions.** In this Plan:

- (a) **“affiliate”**, when referring to the relationship between two companies, means that one of them is the subsidiary of the other, or each of them is controlled by the same person or entity;
- (b) **“Black-Out Period”** means that period during which a trading black-out period is imposed by the Company to restrict trades in the Company’s securities (including any exercises, redemptions or settling of Options) by an Optionee;
- (c) **“Board”** means the Company’s board of Directors;
- (d) **“Cause”** means:
 - (i) In the case of an Employee: (A) cause as such term is defined in the written employment agreement with the Employee, or if there is no written employment agreement or if cause is not defined therein, the usual meaning of just cause under applicable laws; or (B) the termination of employment as a result of an order made by any Regulatory Authority having jurisdiction;
 - (ii) In the case of a Consultant: (A) the occurrence of any event which, under the written consulting agreement with the Consultant or under applicable laws, provides the Company or its affiliates or subsidiaries, as applicable, the right to immediately terminate the consulting agreement; or (B) the termination of the consulting agreement as a result of an order made by any Regulatory Authority having jurisdiction;
 - (iii) In the case of a Director, ceasing to be a Director of the Company or its subsidiaries for reason of (A) ceasing to be qualified to act as a Director of the Company or its subsidiaries, as applicable, under applicable laws or the policies of the Exchange; (B) a resolution removing the person as a Director of the Company or its subsidiaries, as applicable; or (C) an order made by any Regulatory Authority having jurisdiction; or

- (iv) In the case of an Officer, ceasing to be an Officer of the Company or its subsidiaries as a result of: (A) a resolution of the Board removing the person as an Officer of the Company or its subsidiaries, as applicable; or (B) any order made by any Regulatory Authority having jurisdiction.
- (e) **“Change of Control”** means and shall be deemed to have occurred if any person or combination of Persons at arm’s length to the Company and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Company, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect;
- (f) **“Committee”** means a committee of the Board that the Board may, in accordance with Section 3.1 herein, designate to administer the Plan, or if no such Committee has been designated or established, the Board itself;
- (g) **“Company”** means Vertical Exploration Inc.;
- (h) **“Consultant”** means in relation to the Company, an individual (other than a Director, Officer or Employee of the Company or of any of its subsidiaries) or company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to any of its subsidiaries, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or any of its subsidiaries and the individual or the company, as the case may be; and
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or of any of its subsidiaries;
- (i) **“Date of Grant”** means the date an Option is granted by the Committee to the Optionee, subject to any Regulatory Authority or other approvals or conditions;
- (j) **“Director”** means a Director (as defined under Securities Laws) of the Company or any of its subsidiaries;
- (k) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all of the Company’s shareholders entitled to vote at a shareholders meeting, excluding votes attaching to Shares beneficially owned by the Persons whose votes are required to be excluded under the TSX Venture Exchange’s Policy 4.4;
- (l) **“Employee”** means:
 - (i) an individual who is considered an Employee of the Company or of its subsidiary under the *Income Tax Act* (Canada) and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;

- (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an Employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an Employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an Employee and who is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an Employee of the Company or of the subsidiary, as the case may be, but for whom income tax deductions are not made at source;
- (m) **“Exchange”** means the TSX Venture Exchange or any stock exchange or exchanges on which the Company’s common shares are then listed and any other regulatory body having jurisdiction;
- (n) **“Insider”** when used in relation to the Company means:
 - (i) a Director or an Officer of the Company,
 - (ii) a Director or an Officer of a company that is itself an Insider or a subsidiary of the Company;
 - (iii) a Person that has
 - (A) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (B) a combination of beneficial ownership of, and control or direction over, directly or indirectly,

securities of the Company carrying more than 10% of the voting rights attached to all the Company’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or
 - (iv) the Company if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.
- (o) **“Investor Relation Activities”** has the meaning set forth under the TSX Venture Exchange’s policies;
- (p) **“Investor Relations Service Provider”** means any Consultant that performs Investor Relations Activities and any Director, Officer, Employee or Management Company Employee whose role and duties primarily consist of Investor Relations Activities;
- (q) **“Management Company”** means an entity providing management services to the Company which are required for the ongoing successful business operations of the Company, but excluding an entity engaged in Investor Relation Activities;

- (r) **“Management Company Employee”** means an individual employed by an entity providing management services to the Company, which are required for the ongoing successful business operations of the Company, but excluding an entity engaged in Investor Relation Activities;
- (s) **“Officer”** has the meaning ascribed to that phrase in the applicable Securities Laws;
- (t) **“Option”** means an incentive stock option to purchase Shares granted under or subject to this Plan;
- (u) **“Option Agreement”** means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;
- (v) **“Option Period”** means the period during which an Option may be exercised in accordance with this Plan;
- (w) **“Optionee”** means a person to whom an Option has been granted pursuant to this Plan or who holds an Option that is otherwise subject to this Plan;
- (x) **“Person”** includes any natural person, corporation, body corporate, firm, partnership, joint venture, association, trust, estate or unincorporated organization or other entity, any trustee, executor, administrator or other legal representative or any government or governmental authority however designated or constituted;
- (y) **“Plan”** means this incentive stock option plan of the Company;
- (z) **“Regulatory Authority”** means all Exchanges on which the Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company or its securities, the Plan or the Options granted from time to time hereunder;
- (aa) **“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company;
- (bb) **“Security-based Compensation Arrangement”** includes any compensation or incentive mechanism involving the issuance or potential issuance of securities of the Company from treasury to a Person (excluding any “Shares for services” arrangements that have been conditionally accepted by the TSX Venture Exchange pursuant to Policy 4.3 of the TSX Venture Exchange);
- (cc) **“Shares”** means the common shares in the Company’s capital;
- (dd) **“Termination Date”** means:
 - (i) in the case of an Optionee’s resignation from employment from the Company or, if the Optionee is a Management Company Employee, from employment from the Management Company, or the Optionee’s termination of its consulting contract with the Company, or the Optionee’s Management Company’s termination of its consulting contract with the Company, as applicable, the date that the Optionee or Management

Company provides notice of such resignation or termination to the Company or any of its affiliates; or

- (ii) in the case of the termination of the Optionee's employment or consulting contract by the Company, or, if the Optionee is a Management Company Employee, the termination of the Management Company's consulting contract by the Company or its affiliates or the termination of the Optionee's employment or consulting contract by the Management Company, as applicable, for any reason (whether such termination is lawful or unlawful) other than death, the date that the applicable written notice of such termination is provided to the Optionee or, in the case of Management Company Employee, to the Management Company; or
- (iii) in the case of the expiry of affixed-term employment agreement or consulting contract or Management Company contract that is not renewed or extend, the last day of the term.

ARTICLE 3 ADMINISTRATION

3.1 The Plan shall be administered by the Board or by the Committee. With respect to Option grants to the Company's Directors, the Board shall serve as the Committee. With respect to any other Options, the Board may specifically constitute a committee of its Directors, as the Board may designate from time to time. Notwithstanding, the Board may resolve to be the Committee to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan. Each Option granted by the Company prior to the date of the approval of the Plan by the Company's shareholders, including options granted under previously approved stock option plans of the Company, be and are continued under and shall be subject to the terms of the Plan.

3.2 The Board shall have the authority to interpret the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; to make all other determinations necessary or advisable for the administration of the Plan; and to reserve and issue Shares issuable upon due exercise of Options. All determinations and interpretations made by the Board shall be binding and conclusive on all parties concerned. No member of the Board shall be liable for anything done or omitted to be done by such member, by any member of the Board or of the Committee, or by an Officer of the Company in connection with the performance of any duties under the Plan, except for such person's own wilful misconduct or as expressly provided under applicable laws. All administrative costs of the Plan shall be paid by the Company.

3.3 All Options granted pursuant to the Plan shall be subject to applicable laws and the policies and rules of the Exchange.

ARTICLE 4 ELIGIBILITY

4.1 Options may be granted to Directors, Officers, Consultants, and Employees of the Company or its subsidiaries, and to Management Company Employees, who are, in the opinion of the Committee, in a position to contribute to the success of the Company or its affiliates, or who, by virtue of their services to the Company or its affiliates, are, in the opinion of the Committee, worthy of special recognition. The granting of Options is entirely discretionary, and nothing contained under this Plan shall be construed to give any person any right to participate in

this Plan or be granted an Option, and the granting of an Option to a person shall not entitle that person to receive any additional Options.

4.2 No Investor Relations Service Provider may receive any security based compensation other than Options.

4.3 Subject to applicable laws or the rules or policies of the Exchange, Optionees may elect to hold their Options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held directly by the Optionee.

4.4 Subject to applicable laws or the rules or policies of the Exchange, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor company thereof or any affiliate thereof, whether such outstanding options are granted under the Plan, under any other stock option plan of the Company or any predecessor company or affiliate thereof, or under any stock option agreement with the Company or any predecessor company or affiliate thereof.

4.5 Subject to applicable laws or the rules or policies of the Exchange, Options may also be granted under the Plan in substitution for outstanding options of another entity in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other company and the Company or any of its subsidiaries.

ARTICLE 5 SHARES SUBJECT TO PLAN

5.1 Subject to adjustment as provided in Sections 5.2 and 5.3 hereof, the Options issuable pursuant to the Plan, together with all grants of Securities-based Compensation Arrangements shall not exceed a maximum of 10% of the number of issued and outstanding Shares from time to time, calculated on a non-diluted basis as at the date of grant or issuance of any Options. Shares issuable pursuant to Options granted under this Plan that have been exercised, cancelled or otherwise terminated shall be available for subsequent grants of Options under the Plan.

5.2 Notwithstanding any other provision hereunder:

- (a) The maximum aggregate number of Shares that are issuable pursuant to Options granted or issued to Insiders (as a group), together with all grants of Security-based Compensation Arrangements issued to Insiders (as a group), shall not exceed 10% of the issued and outstanding Shares at any point in time, unless the Company has obtained the requisite Disinterested Shareholder Approval pursuant to Exchange policies;
- (b) Options shall not be granted if, upon such grant, together with all grants of Securities-based Compensation Arrangements, the maximum aggregate number of Shares that are issuable pursuant to all Options granted or issued in any 12 month period to Insiders (as a group) exceeds 10% of the issued and outstanding Shares, calculated at the date such Option is granted, unless the Company has obtained the requisite Disinterested Shareholder Approval pursuant to Exchange policies;

- (c) The issuance of Options to any one Optionee, together with all grants of Security-based Compensation Arrangements issued to the Optionee, within a 12 month period, shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Option is granted, unless the Company has obtained the requisite Disinterested Shareholder Approval required pursuant to Exchange policies. This limit may only be exceeded with Disinterested Shareholder Approval;
- (d) The issuance of Options to any one Optionee who is a Consultant, together with all grants of Security-based Compensation Arrangements issued to the Consultant within a 12 month period, shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Option is granted; and

5.3 If the Shares are listed for trading on the TSX Venture Exchange, the aggregate number of Shares which may be purchased by the due exercise of Options granted to persons (as a group) employed or retained to provide Investor Relation Activities must not exceed, in the aggregate, 2% of the issued and outstanding Shares in any 12 month period, calculated at the date such Option is granted, and such Options must vest in stages over a period of not less than 12 months with no more than 25% of such Options vesting in any three month period.

5.4 For the purposes of this Article 5, the number of Shares issued and outstanding is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance in question, unless otherwise expressly stated.

ARTICLE 6 EXERCISE PRICES

6.1 The exercise price per Share subject to an Option shall be determined by the Committee at the time an Option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

6.2 Subject to applicable laws or the rules and policies of the Exchange, the Committee may reprice the prevailing exercise price of an Option. Any reduction in the exercise price of an Option held by an Optionee who is an Insider of the Company at the time of the proposed amendment is, however, subject to the Company obtaining prior Disinterested Shareholder Approval if and as required by the Exchange.

ARTICLE 7 TERM & EXERCISE

7.1 Each Option and all rights thereunder shall be expressed to expire on the date set out in the applicable Option Agreement and shall be subject to earlier termination as provided in Article 9; provided, however, that in no circumstances shall the duration of an Option exceed 10 years or the maximum term permitted by the Exchange at the date of grant, whichever is shorter. If an Option expires during a Black-Out Period, then, notwithstanding any other provision of this Plan, the Option shall expire 10 days after the Black-Out Period is lifted by the Company, this extension will not be permitted if the Optionee or the Company as subject to a cease trade order (or similar order under Securities Laws) in respect of the Company's securities.

7.2 Subject to any vesting restrictions imposed by the Exchange, the Committee may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall apply to such Options. Notwithstanding the foregoing, with respect to Options granted to Persons conducting Investor Relations Activities, the minimum

vesting requirements required under Exchange policies with respect to such Options must be applied, unless the Exchange has granted its prior written approval otherwise.

7.3 Subject to any vesting restrictions imposed by the Committee, Options may be exercised in whole or in part at any time and from time to time during the applicable Option Period. The exercise of any Option will be contingent upon receipt by the Company of a written notice of exercise, specifying the number of Shares with respect to which the Options are being exercised, accompanied by cash payment, certified cheque, wire transfer or bank draft for the full purchase price of such Shares with respect to which the Options are exercised. No Optionee or its legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares unless and until the certificates for Shares issuable (or, if such Shares are issued as uncertificated Shares, the notice of issuance) pursuant to Options under the Plan are issued to it under the terms of the Plan.

7.4 Subject to applicable laws or the rules and policies of the Exchange, the Committee may extend the exercise period of an Option. However, any extension of the exercise period of an Option held by an Optionee who is an Insider of the Company at the time of the proposed extension is subject to the Company obtaining prior Disinterested Shareholder Approval if and as required by the Exchange.

ARTICLE 8 OPTION AGREEMENTS

8.1 Each Option granted hereunder may be evidenced by an Option Agreement, signed on behalf of the Company and by the Optionee, in such form as the Committee shall approve. Each such Option Agreement is subject to the provisions of the Plan. Without limiting the generality of the foregoing, and if and for so long as the Company is listed on the TSX Venture Exchange, for Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are required to represent in the Option Agreement that the Optionee is a bonafide Employee, Consultant or Management Company Employee, as the case may be.

8.2 In the event of a conflict between the provisions of the Plan and an Option Agreement, the provisions of the Plan shall prevail.

ARTICLE 9 TERMINATION OR DEATH

9.1 The vested portion of Options granted to any Optionee who is a Director, Officer, or Management Company Employee of the Company or its subsidiaries shall expire on the earlier of:

- (a) That date which is 90 days after the Optionee ceases to be in at least one of such categories unless such Optionee is terminated by the Company, its Subsidiaries or a Management Company for Cause, in which event the Options shall expire on that date which the Optionee ceases to be in at least one of such categories;
- (b) An earlier date specified for in the applicable Option Agreement; or
- (c) The expiry date of the Option Period.

The unvested portion of the Options granted to any such Optionee shall expire on the date the Optionee ceases to be in at least one of such categories and shall not vest after such expiry.

9.2 The vested portion of Options granted to any Optionee who is an Employee or Consultant of the Company or its subsidiaries shall expire on the earlier of:

- (a) That date which is 90 days after the applicable Termination Date, unless such termination is due to Cause, in which event the Options shall expire on the Termination Date;
- (b) An earlier date specified for in the applicable Option Agreement; or
- (c) The expiry date of the Option Period.

The unvested portion of the Options granted to any such Optionee shall expire on the Termination Date and shall not vest after such expiry.

9.3 The vested portion of Options granted to any Optionee who is engaged in Investor Relations Activities for the Company shall expire on the earlier of:

- (a) That date which is 30 days after the applicable Termination Date, unless such termination is due to Cause, in which event the Options shall expire on the Termination Date;
- (b) An earlier date specified for in the applicable Option Agreement; or
- (c) The expiry date of the Option Period.

The unvested portion of the Options granted to any such Optionee shall expire on the Termination Date and shall not vest after such expiry.

9.4 Notwithstanding the foregoing, in the event of the death of an Optionee while in service to the Company or its subsidiaries, each outstanding Option, to the extent then vested and not exercised) shall be exercisable until the earlier of:

- (a) That date which is one year from the death of the Optionee, unless an earlier date is provided for in the applicable Option Agreement; and
- (b) The expiry date of the Option Period.

In such circumstances, the Options of the deceased Optionee may only be exercised by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution.

9.5 In the event of a Change of Control or impending Change of Control, the Board may, in its sole discretion but without requirement, deal with outstanding Options in such manner as it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, with or without any action or consent on the part of the Optionee, but in all events subject to the approval of the Exchange:

- (a) Deliver a notice to an Optionee advising that the unvested portion of the Options held by the Optionee, if any, shall immediately vest. Notwithstanding the foregoing, the Board may not accelerate the vesting period of any Options held by an Optionee employed or retained to provide Investor Relation Services without the prior written approval of the Exchange;

- (b) Deliver a notice to an Optionee advising that the expiry of the Options held by the Optionee for any vested portions of the Options shall be the earlier of the expiry of the applicable Option Period or the 10th day following the date of such notice, and the expiry of the Option Period of the unvested portion of the Options shall be the date of such notice; or
- (c) Take such other actions, or combination of the foregoing actions, as it deems fair and reasonable under the circumstances.

9.6 Notwithstanding the foregoing, and subject to applicable laws or the rules and policies of the Exchange, the Committee may, in its discretion, provide for the extension of the Option Period of an Option for any period that is not beyond the allowable Option Period thereof; eliminate or make less restrictive any restrictions governing an Option; waive any restriction or other provision of this Plan or an Option Agreement; or otherwise amend or modify the Option in any manner that is not adverse to such Optionee or as consented to by the Optionee.

9.7 Nothing contained in the Plan, nor in any Option granted pursuant to the Plan, shall as such confer upon any person any right with respect to continuance as a Director, Officer, Consultant, Employee or Management Company Employee of the Company, its subsidiaries or affiliates, or interfere in any way with the right of the Company, its subsidiaries or affiliates to terminate an Optionee's employment or services at any time.

9.8 If an Optionee, or in the case of a Management Company Employee, the applicable Management Company, retires, resigns or is terminated from employment or engagement with the Company, its affiliates or subsidiaries, the loss or limitation, if any, by the cancellation of the right to purchase Shares underlying Options held by such Optionee shall not give rise to any right to damages and shall not be included in the calculation of, nor form any part of, any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

ARTICLE 10 ADJUSTMENTS

10.1 If the outstanding Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, the Board shall, in its sole discretion, in the manner it deems fair and reasonable in light of the circumstances, make an appropriate and proportionate adjustment in the number or kind of Shares optioned and the exercise price per Share, as regards previously granted and unexercised Options or portions thereof, and as regards to Options which may be granted subsequent to any such change in the Company's capital. Notwithstanding the foregoing, excepting any adjustments made with respect to a consolidation or subdivision of the Shares, all adjustments made by the Board pursuant to this Section 10.1 shall be conditional upon the Company obtaining the prior approval of the Exchange.

10.2 Adjustments under this Article 10 shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, will be final, conclusive and binding on the Company, the Optionee and all other affected parties.

10.3 In all events, no fractional Share shall be required to be issued under the Plan on any such adjustment. Fractional Shares shall be eliminated.

10.4 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, split, dissolve or liquidate, or to sell or transfer all or any part of its business or assets. Notwithstanding the above, any adjustment to Options granted or issued (except in relation to a consolidation or split) will be subject to the approval of the Exchange.

10.5 Upon the liquidation or dissolution of the Company, the Plan shall terminate, and any Options theretofore granted hereunder shall terminate.

ARTICLE 11 RESALE RESTRICTIONS & LEGENDING

11.1 Any and all Shares issued pursuant to this Plan will be subject to any resale restrictions and legending requirements required under applicable laws or the policies of the Exchange.

11.2 Where necessary to effect exemption from registration or distributions of the Shares under applicable securities laws, an Optionee shall be required, upon the exercise of their Options, to acquire such Shares with investment intent and not with a view to their distribution, and to present to the Board an undertaking to that effect in a form acceptable to the Board.

11.3 If determined to be necessary by the Board, an Optionee shall covenant that, if in connection with a listing, a Regulatory Authority, agent or underwriter requires that the Options or Shares issuable upon due exercise of such Options be deposited in a pool or escrow or be subject to additional resale restrictions, the Optionee shall deposit the Options or Shares in such a pool or escrow and shall comply with such additional resale restrictions, on such terms as may be required by the applicable Regulatory Authority, agent or underwriter.

11.4 These provisions shall in no way obligate the Company to undertake the registration or qualification of any Options or the underlying Shares under any securities laws applicable to the securities of the Company.

ARTICLE 12 GENERAL

12.1 All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as expressly provided for herein.

12.2 The Company shall maintain a register in which shall be recorded or maintained:

- (a) The name and address of each Optionee;
- (b) The number of Shares subject to Options granted, the number of Shares issued upon exercise of Options, and the number of Shares subject to Options remaining outstanding and unexercised;
- (c) A copy of each outstanding Option Agreement; and
- (d) Such other information as the Committee may deem necessary or desirable.

12.3 The Plan is subject to the approval of applicable Regulatory Authorities and the Exchange, and the Board is authorized to amend the terms of the Plan from time to time in order to comply with any changes required by applicable Regulatory Authorities or the Exchange. The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to the approval of any applicable governmental authority or Exchange which may be required. If any Shares cannot be issued to any Optionee for any reason including, the obligation of the Company to issue such Shares shall terminate and any exercise proceeds paid to the Company shall be returned to the Optionee.

12.4 The Company may take such other action or require such other action or agreement by such Optionee as may from time to time be necessary to comply with applicable securities laws or the rules and policies of the Exchange. The Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions of income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan. The issuance, transfer or delivery of certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Board, until the Board is satisfied that the applicable requirements of securities and income tax laws have been met.

12.5 The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

12.6 The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the Province of British Columbia.

12.7 The Plan shall be effective as of the date written below, subject to its approval by the Company's shareholders and the receipt of all necessary Regulatory Authority approvals. Subject to being approved on an annual basis by the Company's shareholders if required by Regulatory Authorities, the Plan shall continue to be effective unless terminated by the Board pursuant to the terms and conditions herein, and no Option shall be granted under the Plan after such date.

The Plan, as amended and restated, is approved by the Board of Directors effective on July 17, 2023.

VERTICAL EXPLORATION INC.

"Peter Swistak"

Per authorized signatory