



# HIGH ARCTIC ENERGY SERVICES INC.

## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

and

## MANAGEMENT PROXY AND INFORMATION CIRCULAR

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF HIGH ARCTIC ENERGY SERVICES INC. OF PROXIES TO BE VOTED AT THE SPECIAL MEETING OF SHAREHOLDERS OF HIGH ARCTIC ENERGY SERVICES INC.*

### TO BE HELD AT:

2350, 330 5 Avenue SW  
Calgary, Alberta T2P 0L4  
January 10, 2024  
At 3:00 p.m.

**THE BOARD OF HIGH ARCTIC UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE:**

- **AGAINST VN CAPITAL'S RESOLUTION TO REMOVE THE CHAIRMAN OF THE BOARD OF HIGH ARCTIC; AND**
- **IF SUCH RESOLUTION IS PASSED, TO VOTE FOR MANAGEMENT'S NOMINEE TO FILL THE VACANCY ON THE BOARD, AND TO WITHHOLD THEIR VOTES FROM THE RESOLUTION TO ELECT ANY OF VN CAPITAL'S NOMINEES TO THE BOARD**

**DATED December 11, 2023**



December 11, 2023

Fellow shareholders of High Arctic Energy Services Inc. ("**High Arctic**" or the "**Corporation**"),

In accordance with applicable law, a shareholder meeting has been requisitioned by an investment advisor to a fund holding a 5.6% minority interest in High Arctic; VN Capital Management LLC ("**VN Capital**"), to vote on a Resolution to remove the current Chairman from the Board of Directors (the "**VN Meeting**"). This meeting has been set for January 10, 2024.

In advance of the meeting, High Arctic's Board of Directors (the "**Board**") remains guided by its Mandate and Governance Principles and is writing to ensure shareholders have sufficient background information on this matter to enable an informed vote and optimal outcome for the Corporation and its stakeholders. Accordingly, High Arctic's Board, as recommended by the Governance and Nominating Committee with Chairman Michael Binnion abstaining, positions as follows.

Specific to VN Capital and their assertions related to their position regarding the announced intent by High Arctic to reorganize and spinoff the Papua New Guinea business, High Arctic highlights the following:

- a. The Board values shareholder input and continues to abide by securities regulations including shareholder approval processes and minority shareholder interests.
- b. The VN Meeting is unnecessary, costly and disruptive to the day-to-day affairs of High Arctic, its management and the Board.
- c. The VN Meeting was preceded by VN Capital news releases that contained speculation and false information, causing damage to the reputation of High Arctic and its Chairman.

The Corporation still believes that there is strategic merit in a reorganization that separates the Canadian and PNG businesses, as well as the return of surplus cash to shareholders by way of the tax efficient return of capital. The key opportunities include:

- Incentives for key management to create value in their focus area,
- Proactively respond to increasing demands by the PNG government for the use of local contractors,
- Enhanced potential for a future listing of the PNG Business on an exchange in the Australasian region, and
- Improved potential for value accretive business combinations and transactions in the respective geographies.

The unnecessary actions of VN Capital have impacted progress towards a reorganization. As a result, the meeting will not be dealing with those matters.

**High Arctic would like to correct the record on the following assertions made by VN Capital in the press releases of VN Capital dated 30 August, 2023 and 27 October, 2023 and the attachments to them.**

1. VN Capital Assertion - The Corporation is “transferring ownership of the valuable PNG business to a privately held company, domiciled in Cyprus, that will be controlled by Cyrus Capital.”

High Arctic Response:

- At no time did the Corporation intend to transfer ownership of the PNG Business to another company.
- The PNG Business and the various foreign domiciled entities that comprise it, are currently, and have always been, owned by a holding company incorporated in Cyprus. This holding company, *High Arctic Energy Services Cyprus Limited*, is 100% owned by the Corporation and by extension the Corporation’s shareholders. Information on High Arctic Energy Services Cyprus Limited and the rest of the corporate structure can be found outlined in the Corporation’s Annual Information Form, both the amended and restated 2022 version filed November 6, 2023 and those that have preceded it. They are available on SEDAR and the haes.ca website.
- It remains the Corporation’s intention that if a proposal is made to spin-off the PNG Business, it will be to the Corporation’s shareholders.

2. VN Capital Assertion – “PNG business will ultimately land in the lap of High Arctic’s largest shareholder, Cyrus Capital”

High Arctic Response:

- At no stage has the spin-off of the Corporation’s PNG Business been designed to transfer the ownership exclusively, or disproportionately to any shareholder, including Cyrus Capital, who is the investment manager of High Arctic’s largest shareholder, FBC Holdings Sàrl.
- Cyrus Capital has not informed the Corporation of any specific objective they have with respect to their ownership of the PNG Business. It has not indicated a desire to increase, hold or decrease their proportional ownership of the PNG Business.
- However, Cyrus has given consistent indications of its desire to avoid an acquisition of control event for High Arctic.

3. VN Capital Assertion - VN Capital’s “efforts to work cooperatively with the Board to come up with an equitable structure have been rebuffed.”

High Arctic Response:

- This is not true.
- High Arctic CEO Mike Maguire met virtually and informally with the VN Capital principals on August 15, 2023.
- Upon receipt of a formal letter from VN Capital dated August 18, 2023, with among other things a threat to sue the company and directors personally, the High Arctic Chairman sent by email on August 24, an offer to meet VN Capital informally to discuss the transaction. This e-mail did not receive a reply.

- In further correspondence, the Corporation suggested a confidentiality agreement with certain restrictive and protective measures be agreed to allow for the exchange of non-public material information. VN Capital objected.
  - On August 30, 2023 VN Capital issued a press release and published the letter dated August 18, 2023. On September 5, 2023 the Corporation again offered to meet, with counsel present.
  - A second meeting was held on September 26, 2023 between High Arctic Chairman, Michael Binnion, CEO Mike Maguire and VN Capital principals James Vanasek and Don Noone, with counsel for each in attendance.
  - VN Capital was informed that the final structure had not been finalized and were suggested a number of options in the meeting to try to address their concerns around governance. VN Capital indicated they would not accept any transaction involving an unlisted company. Mr. Binnion and Mr. Maguire said they would look at options for the transaction to meet their concerns.
  - The Corporation respected the confidential nature of these discussions. High Arctic neither made any public statement on the transaction nor informed VN Capital of any intention to proceed or to take any specific course of action regarding the intent to reorganize.
  - On October 12, 2023 VN Capital issued an ultimatum via email to Mr. Binnion, requiring the Corporation to “*negotiate a straight sale of the PNG assets to Cyrus (or another party)*”, and for the board to confirm by November 18, 2023 that they were going to pursue this route. The Corporation acknowledged the correspondence, and upon receipt VN Capital revised the ultimatum deadline to October 18, 2023. The Corporation did not provide any other response.
  - VN Capital’s act of publishing their letter to the Corporation, and their subsequent actions have only served to create uncertainty and distraction among shareholders, management and employees. It has wasted the time of regulators and High Arctic management, fettered the Corporation’s ability to attract and retain key talent, and suppressed investor interest in the Corporation. Since VN Capital’s actions there has been a share price drop, after it had increased appreciably following the initial transaction announcement and the subsequent August update on the approach to the spin-off intended at that time.
4. VN Capital Assertion – “The proposed spin-off appears to be structured in a way that will result in minority shareholders declining to participate.”

High Arctic Response:

- High Arctic’s Board and Management have consistently stated the intention is to equitably spin-off the PNG business to its shareholders.
- High Arctic informed VN Capital that the Corporation was working with legal advisors to ensure that any shareholders who were restricted from holding shares of an unlisted or foreign company in the same manner that they held their HWO shares, would be afforded the ability to transfer their rights such that they could hold the spin-off shares, should they choose to.
- After considering shareholder feedback including from VN Capital and progressing strategic analysis, the Corporation has moved away from the reorganization scenario disclosed in August. High Arctic remains focussed on managing the current businesses while also looking into ways to achieve the strategic objectives of separating the Canadian and PNG businesses, while acknowledging shareholder feedback.
- VN Capital proceeded to requisition the shareholder meeting after being informed of the Company’s decision to move away from the reorganization scenario disclosed in August in part to directly address their concerns.

5. VN Capital Assertion - The transaction “should be subject to all of the rules and regulations protecting minority investors under Canadian securities laws.”

High Arctic Response:

- At no stage has the Corporation intended to, or attempted to, not comply with any of the rules and regulations of Canadian securities laws. VN Capital were informed at the September 26 meeting of both the status of, and plans for, regulatory and TSX reviews and approvals.
- Further, VN Capital were informed that the Corporation intended to ensure that governance requirements and minority shareholder protections would be retained as a part of any transaction to the maximum extent permitted.

6. VN Capital Assertion – “The High Arctic Board’s goal of obtaining subscriptions from holders owning 60% of High Arctic’s shares.”

High Arctic Response:

- This was a misrepresentation of the shareholder approvals required for any transaction. It was not what VN Capital were informed by the Corporation. It conflates two unrelated parts of the now discontinued process.

7. VN Capital Assertion – “Total, Exxon and the PNG government will be making a final decision to go ahead with the Papua-LNG project by year end which would dramatically increase demand for High Arctic’s PNG drilling rigs and related services.”

High Arctic Response:

- TotalEnergies first announced the commencement of Papua-LNG project Front End Engineering and Design (known as “FEED”) in July 2022, advising at that time that the project is targeting a final investment decision (“FID”) around the end of 2023, and a start-up at the end of 2027.
- High Arctic has observed that the Papua-LNG project Joint Venture has been changing its guidance on an FID over time. It first moved in March 2023 with announcement of *the commencement of integrated FEED*. At that time FID guidance changed to *within 18 months of the commencement of FEED*. In September 2023 the Papua-LNG project’s website changed FID target to *early 2024*, and JV partners started quoting *Q1 2024*. More recently the Papua-LNG project website changed FID target to read simply *2024* and JV partners have also been quoted as using “2024”.
- It is common for major projects of this nature to experience delays. While the FID guidance has been slipping away from year end 2023, that does not necessarily mean the project will encounter further delays, or that it will not proceed.
- High Arctic has no influence over the timing of a final investment decision and is not certain to receive any substantive near term work award upon such a decision.
- The Corporation has provided recent guidance that while its PNG experience and capability should position it well to secure drilling services work for the project, there is no certainty of success and there are project specific factors, including the likely construction of roads to well sites, that widen the pool of global land rigs that may be suitable for, and perceived to be more efficient at performing the work.
- Whether an FID announcement itself will lead to an improvement in the Corporation’s share price is unclear. The award to the Corporation of any contracts to supply key services to the project would be of material value, should the Corporation be successful. However, the timing

of the process for contractor selection and when contracts might be awarded are also unclear at this time.

8. VN Capital Assertion – “Although the Company has since announced that it has abandoned the Proposed Spin-off and is working on a new proposed reorganization of the Company, VN Capital and other minority shareholders share concerns that the Board is unlikely to devise a transaction that is in the best interests of all shareholders.”

High Arctic Response:

- The Corporation has publicly, and in its meeting with VN Capital, consistently stated an intention to spin-off the PNG Business to the Corporation's shareholders.
- The Corporation has listened to shareholder feedback and added key feedback to its transaction objectives.
- The Corporation has stated that it may not be able to achieve all objectives and that it may not proceed with any transaction.

9. VN Capital Assertion - The Corporation should “be conducting a proper arms-length sales process to see if another third party (particularly one that might see significant strategic value and potential synergies in the PNG operations) would pay more for the business than a private equity firm.”

High Arctic Response:

- Despite the public nature of VN Capital's request, and the discussions held by the Corporation's officers with investment banks, analysts, other drilling services contractors and other capital market participants, no interest in purchasing the Corporation or its PNG Business has been forthcoming.
- Cyrus Capital has not expressed a desire to purchase High Arctic's PNG business in an arms-length transaction or gain control in any other manner.

10. VN Capital Assertion - VN Capital's “efforts to work cooperatively with Mr. Binnion to come up with an equitable structure have not been welcomed and we have lost confidence in Mr. Binnion's ability and willingness to negotiate a new structure that maximizes High Arctic's value and adequately addresses the concerns of minority shareholders.”

High Arctic Response:

- Following the September 26 meeting with VN Capital, the Corporation published an update indicating that it had received feedback from shareholders and was working with its advisors on the reorganization plan to incorporate key elements of the shareholder feedback, and that there was no certainty that the reorganization will proceed in the format previously announced, or at all.
- No other updates were provided to VN Capital before they wrote to requisition this meeting, as no material progress had been made to determine if a transaction that achieved all the transaction objectives could be realised.
- Management was diligently working on the Corporation's business and dealing with requests from, and work associated with, securities regulators, its advisors, insurers, and ongoing strategic planning to hone competitive and corporate strategies. The investigation enquiries through accusations by VN Capital have hindered outcomes and brought about complexity.

- In spite of VN Capital suggestion they would sue the Company and directors the Chairman and CEO have remained willing to meet with counsel present and have responded directly or through counsel to all requests for information or meetings.

## Conclusion and Recommendation

The Board believes that the requisition of the VN Meeting was unnecessary and disruptive and was accompanied by false and spurious allegations regarding the Chairman and management of High Arctic.

With regard to Mr. Binnion, it is worth noting a few of his accomplishments over his 18-year tenure as Chairman of High Arctic:

- Mr. Binnion is a founding principal in High Arctic's business in Papua New Guinea ("PNG"), a tireless advocate for the Corporation and an accomplished and respected leader in the energy industry.
- He has driven high governance standards, fostered ethical and responsible decision making and provided insightful leadership to High Arctic's Board, executives and management.
- His oversight of High Arctic has built a bespoke energy service business in PNG; a technical, logistical, and political region like few others in the world.
- In 2019 his contribution was recognised with his appointment as Honorary Consul of PNG to Canada.
- Since 2012 under his leadership, High Arctic has returned \$115 million to shareholders through \$86 million in dividends and \$29 million in share buybacks. The Corporation is also considering a return of capital up to a maximum of \$38.2 million during 2024.
- Mr. Binnion and the Board upon hearing concerns from certain minority shareholders, considered the feedback and made significant efforts to clarify misunderstandings, including calls and emails.

In summary, the Corporation believes that the VN Capital action has disrupted and delayed the strategic process, been counterproductive to the recruitment and retention of key talent, and created unnecessary stress and uncertainty for many stakeholders, including customers.

The Corporation maintains the fundamental belief that there is an opportunity currently to segregate disparate businesses on opposite sides of the world (PNG and Canada) to achieve optimal operational performance for shareholders. Management continues to work on the reorganization plan to incorporate key elements of shareholder feedback. The High Arctic Board, independent of management, has reserved its final decision to proceed with the reorganization until critical matters and ongoing strategic review have been addressed to satisfaction, requisite regulatory approvals have been received, and the materials are ready to present to shareholders. An undertaking of this nature clearly will not succeed without requisite shareholder support.

High Arctic's independent directors believe Mr. Michael Binnion is integral to the sound governance and competent leadership of High Arctic and unanimously recommend that shareholders VOTE AGAINST VN Capital's resolution to remove the current Chairman of the Board of High Arctic.

Regards,

(signed) "*Simon Batcup*"

Chairman of the Governance and Nominating Committee



# HIGH ARCTIC ENERGY SERVICES INC.

## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT A SPECIAL MEETING** (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of High Arctic Energy Services Inc. (“**High Arctic**” or the “**Corporation**”) will be held at the Corporation’s Calgary office, Level 23, Calgary Place I, 330 5 Avenue SW, Calgary, Alberta T2P 0L4 on January 10, 2024 at 3:00 PM for the following purposes:

1. to consider and, if thought fit, to pass an ordinary resolution to fix the number of directors of the Corporation at four (4) (the “**Board Size Resolution**”);
2. to consider and, if thought fit, to pass an ordinary resolution removing Michael Binnion from High Arctic’s board of directors (the “**Removal Resolution**”);
3. if the Removal Resolution is passed, to consider and, if thought fit, to elect one of the four nominees below to fill the vacancy on the board of the directors of the Corporation created by the Chairman Removal Resolution to hold office until the next annual meeting of shareholders or until his or her successor is elected or appointed:

Management Nominee: Michael J. Maguire, the Chief Executive Officer of the Corporation;

Dissident Nominees:

- Harvey Joel,
  - Maryse C. Saint Laurent, or
  - Richard H. Kreger
4. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Management Information Circular accompanying this Notice of Special Meeting.

### THE BOARD OF HIGH ARCTIC UNANIMOUSLY RECOMMENDS THAT HIGH ARCTIC SHAREHOLDERS VOTE AS FOLLOWS:

1. FOR the Board Size Resolution; and
2. AGAINST the Removal Resolution.

If the Removal Resolution is passed by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting:

3. FOR the election of the Management Nominee to fill the vacancy on the board of directors created by the Removal Resolution; and
4. WITHHOLD from voting on the election of any of the Dissident Nominees to fill the vacancy on the board of directors created by the Removal Resolution.



If the Removal Resolution is passed, the director nominee receiving the highest number of FOR votes cast in person or represented by proxy at the Meeting will be elected to the High Arctic board of directors to fill the vacancy on the board of directors created by the Removal Resolution.

The High Arctic Board has fixed December 4, 2023 as the record date, being the date for the determination of the holders of common shares of High Arctic entitled to receive notice of and to vote at the Meeting and any adjournment(s) or postponement(s) thereof.

Your participation as a Shareholder is very important to the Corporation. Please ensure your Common Shares are represented at the Meeting.

If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible through one of the following channels:

- Online: Visit the following website <https://login.odysseytrust.com/pxlogin>; or
- By Mail: Please complete and sign the form of proxy enclosed and return it, in the envelope provided, to the Corporation's transfer agent addressed;

Odyssey Trust Company  
Trader's Bank Building,  
Suite 702, 67 Yonge St.  
Toronto, ON M5E 1J8  
Attn: Proxy Department

All votes must be received by 3:00 p.m. (Calgary time) on January 8, 2024 (or at least 48 hours prior to the commencement of any reconvened Meeting in the event of adjournment(s) or postponement(s) thereof).

If you hold your Common Shares in a brokerage account, you are a non-registered Shareholder or beneficial Shareholder. Beneficial Shareholders who hold their Common Shares through a bank, broker or other financial intermediary should carefully follow the instructions found on the form of proxy or voting instruction form provided to them by their intermediary, in order to cast their vote.

Broadridge provides an online proxy voting portal at <https://www.proxyvote.com> for certain brokerage firms. To determine if online proxy voting is available, Beneficial Shareholders should contact their broker and obtain a unique control number. Some brokers include the control number on postal and electronically mailed voting forms.

ALL SHAREHOLDERS, ANALYSTS AND OTHER INTERESTED PARTIES ARE ENCOURAGED TO LISTEN TO THE MEETING VIA TELECONFERENCE AT TOLL-FREE 1-800-952-5114 (Canada and U.S.) OR VIA OTHER INTERNATIONAL PHONE NUMBERS AVAILABLE AT: <https://www.conf solutions.ca/ILT?oss=7P1R8009525114>, CONFERENCE ID: 4470786, PARTICIPANT PASSCODE 3902671#.

The Corporation reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to future unforeseen developments, including: (i) making any changes at the Meeting as are required to meet any bylaws, public health edicts or advisories that are in place at the time; (ii) holding the Meeting virtually or by providing a webcast of the Meeting; (iii) hosting the Meeting solely by means of remote communication; (iv) changing the Meeting date and/or changing the means of holding the Meeting; and (v) such other measures as may be recommended by local authorities in connection with gatherings of persons for the Meeting.

Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation's profile on SEDAR+ as well as on the Corporation's website at [www.haes.ca](http://www.haes.ca). The Corporation strongly recommends that Shareholders

check the Corporation's website prior to the Meeting for the most current information. In the event of any changes to the Meeting format, the Corporation will not prepare or mail amended Meeting Proxy Materials.

**DATED** this 11th day of December, 2023.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

(signed) "*Michael J. Maguire*"

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**Michael J. Maguire**  
**Chief Executive Officer**

## GENERAL PROXY MATTERS

### Solicitation of Proxies

This management proxy and information circular ("**Circular**") is furnished in connection with the solicitation of proxies by the management of High Arctic Energy Services Inc. ("**High Arctic**" or the "**Corporation**") for use at the special meeting (the "**Meeting**") of the holders of common shares of the Corporation (the "**Common Shares**") to be held in Calgary, Alberta on January 10, 2024 at 3:00 p.m. and at any adjournment thereof for the purposes set forth in the accompanying notice of meeting ("**Notice of Meeting**"). The cost of such solicitation will be borne by the Corporation.

The Meeting has been called in response to a shareholder requisition (the "**Requisition**"), a copy of which is attached hereto as Schedule A, made by VN Capital Management, LLC, as beneficial owner of not less than 5% of the issued and outstanding Common Shares, requesting that the directors of the Corporation call a meeting of the Shareholders for the purpose of (a) removing Michael Binnion as a director of the Corporation and; (b) if the removal resolution is approved, to elect a replacement director.

### Appointment of Proxies

**The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting.** Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting there from the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him/her to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his/her shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Odyssey Trust Company, Attn: Proxy Department, Trader's Bank Building, Suite 702, 67 Yonge St., Toronto, Ontario, M5E 1J8 at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

### Revocation of Proxies

A shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends at the Meeting in person at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked. A shareholder who revokes his or her proxy and does not replace it with another that is deposited with the Corporation's transfer agent, Odyssey Trust Company, at least forty-eight (48) hours (excluding Saturdays, Sundays, and holidays) before the Meeting may not vote his or her shares in any manner at the Meeting.

## **Persons Making the Solicitation**

**The solicitation is made on behalf of the Corporation by its management.** The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Meeting and this Circular will be borne by the Corporation.

In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who may be remunerated therefore.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements may be made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the share held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

## **Exercise of Discretion by Proxy**

The shares represented by proxy in favour of the Management Designees shall be voted on any ballot at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any ballot in accordance with the specification so made.

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

## **Notice to Beneficial Shareholders**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who hold shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares of the Corporation are listed in an account statement provided to a Beneficial Shareholder by a broker, those shares will, in all likelihood, not be registered in the shareholder's name. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada.

Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting.

Broadridge also provides an online proxy voting portal at <https://www.proxyvote.com> for certain brokerage firms. To determine if online proxy voting is available, Beneficial Shareholders should contact their broker and obtain a unique control number. Some brokers include the control number on postal and electronically mailed voting forms.

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

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

All reference to shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

## GENERAL INFORMATION

### Forward-Looking Statements

This Circular contains certain forward-looking information and forward-looking statements as defined in applicable securities laws (collectively referred to as forward-looking statements). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward looking statements. The use of any of the words “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “should”, “believe” and similar expressions is intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These statements in this Circular speak only as of the date of this Circular unless otherwise indicated herein, and accordingly, are subject to change after such date. These statements are based upon our management’s perception of historic trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances.

Although we believe that these forward-looking statements are based on information and assumptions that are reasonable and complete, inherent in forward-looking statements are risks and uncertainties beyond our ability to predict or control, which may cause actual results to differ materially from those expressed or implied by these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements. You should also carefully consider the matters discussed in the “Cautionary Statement on Forward-Looking Statements” section of our Management’s Discussion and Analysis for the year ended December 31, 2022, and subsequent filings, which can be found under the Corporation’s profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) Except as required by law, we undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise.

## INFORMATION CONCERNING THE CORPORATION

### Voting Shares and Principal Holders of Voting Shares

The board of directors of the Corporation (the “**Board of Directors**” or “**Board**”) has fixed December 4, 2023 as the record date (the “**Record Date**”) for the Meeting. Shareholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote thereat or at any adjournment or postponement thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares (“**Preferred Shares**”), issuable in series. As at the effective date of this Circular, which is December 11, 2023 (the “**Effective Date**”), 49,122,302 Common Shares and nil Preferred Shares were issued and outstanding.

To the knowledge of the directors and officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises direction or control over voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation other than FBC Holdings Sàrl, which owns 21,916,634 Common Shares representing 44.6% of the outstanding Common Shares as of the Effective Date. The information as to the Common Shares beneficially owned or which control or direction is exercised over is not within the knowledge of the Corporation and has been derived from public sources available to the Corporation.

### Quorum for Meeting

At the Meeting, a quorum shall consist of two or more persons either present in person or represented by proxy and representing in the aggregate not less than 5% of the outstanding Common Shares of the Corporation.

If a quorum is not present at the Meeting within one-half hour after the time fixed for the holding of the Meeting, it shall stand adjourned to such day being not less than fourteen (14) days later and to such place and time as may be determined by the Chairman of the Meeting. At such Meeting, the shareholders present either personally or by proxy shall form a quorum.

### Approval Requirements

All matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of shareholders present in person or represented by proxy at the Meeting.

## QUESTIONS AND ANSWERS FROM MANAGEMENT FOR SHAREHOLDERS

### Q: What am I being asked to vote on?

A: The Meeting has been called by the Board pursuant to a requisition dated October 19, 2023 from VN Capital Management, LLC. A copy of the Requisition is attached to this Circular as Schedule A.

The Requisition was made pursuant to Section 142(1) of the *Business Corporations Act* (Alberta), which provides that any shareholder who owns not less than 5% of the issued and outstanding shares of the Corporation may require that the Board call a special meeting. The Requisition requires the Board to call a special meeting of shareholder for the following purposes:

1. to pass an ordinary resolution to remove Michael Binnion from the Board of Directors of the corporation;

2. if the Removal Resolution is passed, to elect a Director to fill the vacancy created by the Removal Resolution; and
3. to transact such other business as may properly come before the Meeting.

Management has nominated Michael Maguire, the Chief Executive Officer of the Corporation, to fill the vacancy created by the Removal Resolution, if approved. If the Removal Resolution is approved, the Corporation recommends that shareholders elect Mr. Maguire.

VN Capital has nominated three individuals, Harvey Joel, Maryse C. Saint Laurent, and Richard H. Kreger, to fill the vacancy created by the Removal Resolution, if approved.

In addition to the above resolutions, at the Meeting, shareholders will also be asked to approve a resolution to fix the number of Directors of the Corporation at four (4) Directors, as set forth in more detail in the Circular.

**Q: What does the Board recommend?**

A: High Arctic's Board unanimously recommends that shareholders vote:

- FOR the Board Size Resolution; and
- AGAINST the Removal Resolution.

If the Removal Resolution is passed by a majority of the votes cast by shareholders present in person or represented by proxy at the Meeting:

- FOR the election of the Management Nominee to fill the vacancy on the board of directors created by the Removal Resolution; and
- WITHHOLD from voting on the election of any of the Dissident Nominees to fill the vacancy on the board of directors created by the Removal Resolution.

**Q: What is this shareholder meeting about?**

A: On May 11, 2023 the Corporation announced that it was considering issuing a return of capital to shareholders and effecting a reorganization to spin off the Corporation's Papua New Guinea business into a separate corporation. In August 2023, VN Capital expressed concerns regarding the transaction structure of the proposed reorganization and issued a letter and a news release detailing these concerns. Since then, the Board has continued to work with legal counsel to refine and develop the transaction structure in a manner that would resolve VN Capital's concerns along with other concerns and feedback from other shareholders, and other issues. The Board has engaged with VN Capital to discuss means of addressing their key concerns, but VN Capital has taken the position that they are opposed to the reorganization in any form so long as Mr. Binnion sits on the Board of Directors.

**Q: Why didn't you just add the requisitioned business to the next annual general meeting?**

A: VN Capital has requisitioned the Meeting at this time, requesting that it should proceed without delay rather than simply bringing forward its requests at High Arctic's next annual general meeting. The Board has determined it appropriate to set the meeting date no later than is reasonable to prepare for and address the business of the requisitioned meeting.

**Q: Why should shareholders reject the resolutions from this minority shareholder?**

A: The Board encourages Shareholders to ask themselves, what has VN Capital offered as an alternative? Other than postulating in a press release that "*The Company should simply sell the PNG business to Cyrus*

or another third party in an arms-length transaction”, VN Capital has not publicly articulated an alternative transaction structure and the benefits it would bring to shareholders, nor why and how the Corporation should sell the PNG Business in an arms-length transaction. Instead, they have insisted on costing the Corporation time and money to advance what appears to be nothing more than an affront to Mr. Binnion.

**Q: What if I can’t attend the Meeting in person?**

A: Shareholders who are unable to attend the Meeting in person are requested to complete, sign, date and return the enclosed proxy to the Corporation’s transfer agent:

Odyssey Trust Company, Trader’s Bank Building, Suite 702, 67 Yonge St., Toronto, Ontario, M5E 1J8

**by 3:00 p.m. (Calgary time) on January 8, 2024**, or to follow the instructions of their Broker if they are a Beneficial Shareholder as outlined in section entitled “*Notice to Beneficial Shareholders*” under the heading “*General Proxy Matters*” in this Circular. This is to ensure that as large a representation as possible may be had at the Meeting. The Chair of the Meeting may waive this cut-off at his discretion without notice. **The proxy also includes instructions as to how you may vote by telephone or via the internet.**

**Q: Who is soliciting my proxy?**

A: The High Arctic Board, on behalf of management is soliciting the proxy for use at the Meeting. In connection with this solicitation, the Board has provided this Circular.

**Q: How will the solicitation be made?**

A: The solicitation will be made primarily by mail. You are requested to execute the proxy to ensure that your votes are exercised at the Meeting.

**Q: What documents have been sent to shareholders?**

A: In addition to the Circular, shareholders have been sent a letter to Shareholders and a proxy or voting instruction form (the “**Meeting Materials**”). Copies of these documents (other than the voting instruction form) are available at [www.haes.ca](http://www.haes.ca) and under High Arctic’s profile at [www.sedarplus.ca](http://www.sedarplus.ca).

**Q: How many votes do I have?**

A: Each Shareholder is entitled to one vote for each Common Share held at the close of business on December 4, 2023 (the “**Record Date**”).

**Q: How many Shares are eligible to vote?**

A: The number of Common Shares outstanding on the Record Date will be equal to the number of eligible votes. On the Record Date, the Corporation had 49,122,302 Common Shares outstanding.

**Q: What is the quorum?**

A: According to the Bylaws of High Arctic (the “**Bylaws**”), the following constitutes a quorum consists of two or more persons either present in person or represented by proxy and representing in the aggregate not less than 5% of the outstanding Common Shares of the Corporation.

**Q: Are there any principal shareholders?**

A: To the knowledge of the directors and senior officers of the Corporation, no one person or entity beneficially owns, directly or indirectly, or exercises direction or control over, more than 10% of the Common Shares other than FBC Holdings Sàrl, which owns 21,916,634 Common Shares representing 44.6% of the outstanding Common Shares as of the Effective Date.

**Q: Who will count the votes?**



A: Votes will be tabulated by Odyssey Trust Company ("**Odyssey**"), the transfer agent of the Corporation.

**Q: How do I determine what type of shareholder I am?**

A: There are several steps you must take in order to vote your Common Shares at the Meeting. For the purpose of voting at the Meeting, you must first determine what type of shareholder you are: a registered shareholder or a beneficial shareholder.

**Registered Shareholder:** You are a registered shareholder if your Common Shares are held in your personal name and you are in possession of a share certificate that indicates the same.

**Beneficial (Non-registered) Shareholder:** A majority of Shareholders are non-registered. You are a Beneficial Shareholder if your Shares are:

- held in the name of a Nominee.
- deposited with a bank, a trust, a brokerage firm or other type of institution, and such Shares have been transferred out of your name
- held either (a) in the name of the intermediary that the Beneficial Shareholder deals with (being securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS) with which your Nominee deals.

Follow the steps in the appropriate category below once you have determined your shareholding type. Please note that only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.

**Q: How will my proxy be voted?**

A: If the Management Designees are appointed as your proxyholder, and you do not specify how you wish your Common Shares to be voted, your Common Shares will be voted as follows:

- Board Size Resolution - FOR
- Removal Resolution – AGAINST
- If the Removal Resolution Passes, your Shares will be voted FOR the Management Nominee, and WITHHOLD for each of the Dissident Nominees

The Bylaws provide that a proxy shall be executed by the Shareholder or his or her attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized for that purpose.

**Q: What if I want to revoke my proxy?**

A: You may revoke your proxy at any time before it is acted on. In order to revoke your proxy, you must send a written statement indicating you wish to have your proxy revoked. This written statement must be received by Odyssey at the address indicated on the accompanying Notice by 3:00 p.m. (Calgary time) on January 8, 2024 or delivered to the Chair of the Meeting on January 10, 2024.

**Q: When and where will the Meeting of the shareholders of High Arctic take place?**

A: the Meeting will be held at 3:00 p.m. on Wednesday, January 10, 2024, at the Corporation's Calgary office, Level 23, Calgary Place I, 330 5 Avenue SW, Calgary, Alberta T2P 0L4.

**Q: I can't attend in person, but I wish to listen to the meeting?**

A: You may listen to the proceeding of the meeting live using the following dial-in or internet details:

Toll-free dial-in number (Canada/US): 1-800-952-5114

Local dial-in number: 416-641-6104

Australia dial-in number: 0011-80042228835

PNG dial-in number: 00-80042228835

Other International dial-in numbers: <https://www.confsolutions.ca/ILT?oss=7P1R8009525114>

Participant passcode: 3902671#

**Q: Why are you setting the number of directors of the Corporation at four (4)?**

A: The Corporation has been undertaking steps to reduce general and administrative costs, to align with the earning capacity. Reducing the Board of Directors to four (4) persons saves the costs of the non-executive director remuneration and associated costs of their attendance at meetings. A four person board consisting of four independent directors can still perform all the functions of governance required and the remaining directors including Mr. Binnion have the relevant experience and capability to fulfil all of their obligations as directors and as active participants on the Boards various committees. The Board still has the authority to expand to 5 directors, an authority it might decide to exercise if the Board determines it to be in the best interests of the company to do so.

## MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

### 1. Board Size Resolution

Shareholders of the Corporation will be asked to approve an ordinary resolution fixing the number of Directors of the Corporation at four (4).

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the ordinary resolution fixing the number of directors of the Corporation at four (4).**

### 2. The Removal Resolution

Shareholders of the Corporation will be asked to approve an ordinary resolution that Michael Binnion be removed from such office pursuant to Section 109 of the Business Corporations Act (Alberta) ("**ABCA**").

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote AGAINST the Removal Resolution.**

### 3. Election of Replacement Director

If the Removal Resolution is passed, then Shareholders of the Corporation will be asked to consider an ordinary resolution to fill the vacancy on the Board of Directors of the Corporation created by the Removal Resolution. If the Removal Resolution is not passed, there will be no election of a replacement Director and Mr. Binnion will remain on the Board.

The Corporation currently has four (4) directors, all of whom were duly elected at the last annual general meeting of shareholders on May 11, 2023.

The Corporation has nominated Michael J. Maguire, the Chief Executive Officer of the Corporation, as a director of the Corporation to fill the vacancy created by the Removal Resolution, if the Removal Resolution is passed.

VN Capital has nominated three (3) directors, Harvey Joel, Maryse C. Laurent, and Richard H. Kreger, to fill the vacancy created by the Removal Resolution, if the Removal Resolution is passed.

Information concerning all positions and offices presently held by the Management Nominee and the Dissident Nominees, his or her municipality of residence, principal occupation at the present and during the preceding five (5) years, and the number and percentage of Common Shares beneficially owned by such person, directly or indirectly, or over which control or direction is exercised, as of the Effective Date is outlined below. This information in respect of the Dissident Nominees has been provided by VN Capital and confirmed by the Dissident Nominees.

In accordance with policies of the Toronto Stock Exchange ("**TSX**"), the Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation's shareholders where an uncontested election of a director is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Board promptly following the applicable shareholders' meeting, with the resignation to take effect upon acceptance of the Board. The Governance and Nominating Committee will consider the director nominee's offer to resign and will make a recommendation to the Board as to whether or not to accept the resignation. In considering whether or not to accept the resignation, the Governance and Nominating Committee may consider the stated reasons why shareholders "withheld" votes from the election of that nominee, the existing board composition, the tenure and the qualifications of the director whose resignation has been tendered, the director's past meeting attendance and contributions to the Corporation, the Corporation's corporate governance policies and such other skills and qualities as the Governance and Nominating Committee deems to be relevant.

The Board will act on the recommendation of the Governance and Nominating Committee and make a decision as to whether to accept the director's offer to resign within 90 days of the Meeting. The Board of Directors will be expected to accept the director's offer of resignation unless it decides that there are exceptional circumstances which prevent the Board from accepting it and will publicly disclose its decision, including the reasons for the Board's decision if the director's resignation is not accepted. No director who is required to tender his or her resignation shall participate in the deliberations or recommendations of the Governance and Nominating Committee or the Board. If a director's offer of resignation is accepted, the Board may fill the vacancy through the appointment of a new director whom the Board considers appropriate.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote FOR the election of Michael Maguire and WITHHOLD for the election of any of the Dissident Nominees in the event that the Removal Resolution is passed.** Management does not contemplate that Mr. Maguire will be unable to serve as a director; however, if for any reason the Management Nominee does not stand for election or is unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his shares are to be withheld from voting in the election of directors.** Any director elected will hold office until the next annual general meeting of shareholders or until his/her successor is duly elected, unless his/her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta) to which the Corporation is subject.

Name, Municipality of Residence and Office Held	Director Since	Present Occupation and Positions Held During the Last Five Years	Common Shares Beneficially Owned or Controlled as of the Effective Date
<b>Michael J. Maguire</b> <b>Brisbane, Queensland,</b> <b>Australia</b>	Nominee for election at the Meeting	Chief Executive Officer of the Corporation (March 2020 to present); President of the Corporation's Papua New Guinea Business (2016 to March 2020)	596,295
<b>Harvey Joel, Etobicoke,</b> <b>Ontario</b>	Nominee for election at the Meeting	Principal, H Joel & Associates since 2010; Director, Stewart Southern Railway Inc. since 2014; and Director, Ceres Global Ag Corp. since 2013	Nil
<b>Maryse C. Saint Laurent,</b> <b>Calgary, Alberta</b>	Nominee for election at the Meeting	Director, ATB Financial since 2022; Director, North American Construction Group since 2019; Director, Turquoise Hill Resources Ltd. from January 2017 to December 2022; Director, Pretivm Resources Inc. from May 2021 to March 2022; Director, Alberta Securities Commission from July 2016 to March 2022; and Director, Guyana Goldfields Inc. from May 2019 to August 2020	Nil
<b>Richard H. Kreger,</b> <b>Weston, Connecticut,</b> <b>U.S.A.</b>	Nominee for election at the Meeting	Head of Investment Banking, R. F. Lafferty & Co., Inc. from March 2023 to October 2023; President and Head of Investment Banking, RHK Capital d/b/t Noble Capital Markets, Inc. from January 2021 to March 2023; and Co-Founder of RHK Capital and Head of Investment Banking, TAG-AGES aka Advisory Group Equity Services, Ltd. & Trust Advisory Group, Ltd. dba RHK Capital from February 2017 to December 2020.	Nil

#### *Cease Trade Orders*

No proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, 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.

### *Bankruptcies*

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

### *Personal Bankruptcies*

No proposed director has, within 10 years before the date of this 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 such proposed director.

### *Penalties and Sanctions*

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### *Biographies of Proposed Directors*

#### Michael J. Maguire, age 51

Mr. Maguire has over 25 years of oilfield drilling and well servicing experience. Prior to joining High Arctic Mr. Maguire held senior management positions with two of the largest Australian oilfield service companies, Oil Drilling & Exploration Ltd. and more recently Easternwell. Mr. Maguire holds a Bachelor's Degree (Hons) in Petroleum Engineering from the University of New South Wales, and is a former Vice Chairman of the Australian chapter of the International Association of Drilling Contractors.

#### Harvey Joel, age 75

Harvey Joel has over 30 years of experience in a range of corporate leadership roles and is currently the Principal of an infrastructure and supply chain advisory company that offers a variety of services to assist clients to build, implement and optimize supply chain, logistics and transportation solutions. From 2003 to 2010, Mr. Joel was Vice President, Logistics for Canadian National Railway. In that role, he led and was accountable for a diverse group of transportation and supply chain services designed to interface with rail and deliver complete supply chain solutions. This group of businesses included warehousing, transloads, bulk commodity distribution terminals, auto handling distribution and access organization facilities, marine terminals, ships, custom brokerage, freight forwarding and truck brokerage. Prior to joining CN, Mr. Joel held a number of Senior Management positions at Norbord Industries including strategic planning, business development, operations improvement, sales, marketing and logistics. Mr. Joel has an MBA and an HBA in Business Administration from the Richard Ivey School of Business.

#### Maryse C. Saint Laurent, age 63

Maryse C. Saint-Laurent is an accomplished executive and corporate director with over 25 years' experience as a business-oriented corporate, transactional and securities lawyer in the energy, power, and mining sectors. She has led several M&A and multi-faceted financing transactions and

has a strong governance background. Ms. Saint-Laurent also possesses several years' experience in human resources, compensation and benefits/pension management. Ms. Saint-Laurent currently serves on the board of North American Construction Group where she chairs the Governance and Sustainability Committee and serves on the Human Resources Committee. She is also a member of the Board of ATB Financial where she serves on both their Audit and Governance committees. She previously served on the board of Turquoise Hill Resources Ltd., where she was Chair of the Compensation Committee, Chair of the Governance and Sustainability Committee, a member of the Audit Committee and Chair and Co-Chair of various Special Committees. Ms. Saint-Laurent also served on the board of Pretivm Resources Inc. where she served as a member of both the Human Resources and Governance and Nominating committees and served on the board of the Alberta Securities Commission, where she served as Chair of the Compensation Committee. Ms. Saint-Laurent holds a Master of Laws (securities and finance), from York University, Osgoode Hall Law School, an LL.B., BA and Certification in Human Resources and Indigenous Canada from the University of Alberta, her ICD.D designation and has been granted her King's Counsel designation.

Richard H. Kreger, age 50

Richard H. Kreger is a former investment banker with over 19 years of experience, including in senior positions at R. F. Lafferty & Co., Noble Capital Markets, RHK Capital, Source Capital Group, Ironridge Global Partners and Maxim Group LLC.

## **OTHER MATTERS COMING BEFORE THE MEETING**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the securities represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

## **STATEMENT OF EXECUTIVE COMPENSATION FOR HIGH ARCTIC**

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### ***I. Overview of Compensation Program, Compensation Philosophy and Objectives***

The Corporation has designed an executive compensation program to attract, motivate, reward, and retain the knowledgeable and skilled executives that are required to achieve the Corporation's objectives and increase shareholder value. The compensation program is geared towards fostering a culture of ownership by providing long-term equity-based incentives as a portion of executive compensation. This approach assumes that the Corporation's share price performance over the long-term is an important indicator of long-term performance, aligning executive compensation with the generation of shareholder value.

The Corporation's executive compensation program is based on the following fundamental principles:

- the compensation program should result in the alignment of executive goals with shareholder interests, maximizing long-term shareholder value;
- compensation to executive officers should be performance sensitive, directly linking some elements of compensation to the Corporation's operating and market performance, both quantitatively and qualitatively; and
- total executive compensation should be in an amount that is competitive with other companies in the oilfield services industry and geographical area, consistent with the experience and responsibility level of the individual.

The main objectives of the Corporation's executive compensation program were developed based on the above-mentioned principles, with a goal to reward the contribution of executive officers based on evaluation

of performance against key measurements selected by the Board and Remuneration Committee that correlate with shareholder value and align with the Corporation's strategic plan.

The compensation program of the Corporation provides incentives to achieve both short and long-term objectives.

The short-term incentives include salary and annual bonus payments to Named Executive Officers (as defined herein) ("NEOs") based on the financial performance of the Corporation and achievement of certain individual performance targets.

The Corporation provides long-term incentives to its executives and directors through grants of options under the Corporation's Stock Option Plan ("**Option Plan**") and share units under the Corporation's Performance Share Unit Plan (the "**PSU Plan**") and the DSU Plan. The long-term incentive plans link the interests of the executive officers and directors to shareholders of the Corporation as increasing the value of the Corporation will increase the amounts received by the individual NEO.

## ***II. Role and Composition of the Remuneration Committee***

The Corporation's executive compensation program is administered by the Remuneration Committee (the "**Remuneration Committee**") of the Board. The Remuneration Committee is charged with reviewing and making recommendations to the Board in respect of the compensation matters relating to the Corporation's executive officers, employees, and directors, including the NEOs who are identified in the "*Summary Compensation Table*", below.

The members of the Remuneration Committee are appointed by the Board. For the year ended December 31, 2022, the Remuneration Committee was comprised of: Michael Binnion (Chair), Dan Bordessa, the Honourable Joe Oliver, and Ember Shmitt. Each of Mr. Bordessa and Ms. Shmitt have since resigned from the Board and the Remuneration Committee, as at December 11, 2023, consists of Michael Binnion (Chair), the Honourable Joe Oliver, and Simon Batcup.

Although none of the members of the Remuneration Committee have a formal background or experience in executive compensation directly, all of the members of the Remuneration Committee are experienced participants in the business world and are well versed in the areas of corporate governance and compensation matters.

Mr. Oliver has extensive experience in the public sector, acting as a Member of Parliament and Minister, as well as experience with private entities in the roles of President and CEO and as a Director of public companies. Mr. Oliver has considerable experience dealing with compensation programs and matters generally. Mr. Binnion is a seasoned entrepreneur with a history of starting, financing and managing companies and not-for-profits and has considerable experience with establishing and overseeing compensation programs. Mr. Batcup has over 40 years of business experience and is a key interim management executive who has been involved in company restructures and turn-arounds including dealing with executive and other employee compensation. These skills and experiences enable the Remuneration Committee to make decisions on the suitability of the Corporation's compensation policies and practices.

The Remuneration Committee operates under a written "Remuneration Committee Terms of Reference" that details its composition, its duties and its reporting responsibilities. The Remuneration Committee's primary duties and responsibilities are to:

(1) Determine and agree with the Board framework or broad policy for the remuneration of the Corporation's Chief Executive Officer, Chairman of the Board, Lead Director (if applicable), and such other members of the executive management as it is designated to consider (the "**Remuneration Policy**"). The Remuneration Committee shall also be responsible for making recommendations to the Board in regard to the remuneration of non-executive directors. No director or officer shall be involved in any decisions as to their own remuneration;

(2) In determining the Remuneration Policy, take into account all factors which it deems necessary. The objective of the Remuneration Policy shall be to ensure that members of the executive management of the

Corporation are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Corporation;

(3) Review the ongoing appropriateness and relevance of the Remuneration Policy;

(4) Approve the design of, and determine targets for, any performance-related pay arrangements operated by the Corporation and approve the total annual payments made under such arrangements;

(5) Review the design of all securities-based compensation arrangements for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made and, if so, the overall amount of such awards, the individual awards to directors, officers and other senior executives, the performance targets to be used and the form of agreement in respect of the grant of any securities-based compensation;

(6) Coordinate closely with the Governance and Nominating Committee in relation to the remuneration to be offered to any new director;

(7) Review and recommend for approval, if the proposed remuneration is within the parameters of the Remuneration Policy, any written employment agreement of a member of the executive management;

(8) Determine the policy for, and scope of, pension arrangements for each director, officer and other senior executives;

(9) Review and recommend for approval any termination and severance arrangements in respect of officers of the Corporation;

(10) Ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Corporation, that failure is not rewarded and that the duty to mitigate loss is fully recognized;

(11) Within the terms of the Remuneration Policy and in consultation with the Chairman and/or Chief Executive Officer as appropriate, determine the total individual remuneration package of each director, officer and other senior executives including bonuses, incentive payments and share option or other share awards that comply with the legal requirements, the provisions and recommendations in National Policy 58-201 adopted by the Canadian Securities Administrators, the rules of the Toronto Stock Exchange and associated guidance;

(12) Review and note annually the remuneration trends across the Corporation or group;

(13) Oversee any major changes in employee benefits structures throughout the Corporation or group;

(14) Review and recommend for approval the general terms of any annual bonus plans of for non-executive managers;

(15) Determine the policy for authorizing claims for expenses from the Chief Executive Officer and Chairman;

(16) Ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; (18) Review and recommend for approval disclosure provided in publicly circulated documents, including the Corporation's management information circular, in respect of executive compensation discussion and analysis;

(17) Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the committee; and

(18) Obtain reliable, up-to-date information about remuneration in other comparable companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help it fulfill its obligations.

The Remuneration Committee Chair is required to report to the Board on its proceedings after each meeting and to make whatever recommendations it deems appropriate on any area within its mandate where action or improvement is needed. In addition to attendance at formal meetings, individual committee members also periodically reviewed the Corporation's approach to executive compensation with the Chief Executive Officer.



In March 2022, the Corporation initiated a formal external review of NEOs to consider the compensation relative to industry peers and general market conditions. Salary increases of up to 15% were implemented for the NEOs starting April 1, 2022. In 2023, with a possible return of capital and corporate re-organization to be considered, the Remuneration Committee recommended to the Board a temporary suspension on NEO compensation increases and the deferral of 2023 share based compensation until after the conclusion of any resulting transaction(s) or the decision to abandon further work on it.

The Remuneration Committee will continue to periodically review the Remuneration Policy, with a goal to ensuring the Corporation's compensation program and offering is effective and competitive and is aligned with the above-noted principles.

At the time of this review, the Corporation selected the following peer group as measured by market capitalization and operational sector:

Akita Drilling Ltd.	McCoy Global Inc.
CWC Energy Services Corp.	Essential Energy Services
Stampede Drilling Inc.	Total Energy Services Inc.
Zedcor Inc.	Step Energy Services Ltd.

The Corporation believes the aforementioned peer group list is comprised of companies that have characteristics in common with the Corporation and that would compete for similar executive talent and as such, provides a good basis for assessing the competitiveness of the Corporation's compensation.

### **Compensation Risks**

While the Remuneration Committee does not formally consider the implications of the risks associated with the Corporation's compensation policies and practices, the Remuneration Committee does take into consideration the various components of the Corporation's compensation program when assessing whether the program supports the Corporation's principles and objectives and reviews the Corporation's compensation policies on a regular basis. The Remuneration Committee also considers the implication of the risks associated with the Corporation's compensation program, including: (i) the risk of executive officers taking inappropriate or excessive risks; (ii) the risk of inappropriate focus on achieving short-term goals at the expense of long-term return to shareholders; (iii) the risk of encouraging aggressive accounting practices; and (iv) the risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety considerations.

The nature of the business in which the Corporation operates requires some level of risk-taking in order to achieve desired growth and outcomes in the best interests of the shareholders. While the Corporation recognizes that no compensation program can fully mitigate these risks, the Remuneration Committee and Board believe that many of these risks can be mitigated by: (i) weighting long-term incentives towards share ownership and vesting long-term incentives over a number of years; (ii) avoiding narrowly focused performance goals which may encourage loss of focus on providing long-term shareholder return; (iii) retaining adequate discretion over the application and implementation of the compensation program to insure that the Remuneration Committee and Board retain their business judgment in assessing actual performance; and (iv) discourage executive participation in transactions that are designed to hedge or offset a decrease in market value of securities of the Corporation as discussed below under the heading "*Short Selling and Restrictions*".

#### *Short Selling and Restrictions*

Executive officers and directors are prohibited from knowingly selling, directly or indirectly, any of the Corporation's securities that he or she does not own or has not fully paid for.

Although the NEOs are permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation, the Corporation is not aware of any market for such financial instruments or the acquisition of any such financial instruments by a NEO.

### **III. Compensation Plan and Policies**

The Remuneration Committee has adopted a compensation program that covers the following key short-term and long-term elements: (i) a base fixed amount of salary and benefits; (ii) a performance-based cash bonus; and (iii) long-term equity incentive plans.

The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation to executive officers.

A description of each element and its purpose is described below, following disclosure of the NEO of the Corporation as at December 31, 2022.

#### **Named Executive Officers ("NEOs")**

Individuals who are acting in a capacity similar to a Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers or individuals whose total compensation exceeds \$150,000 per annum are the NEOs, which total 5 individuals. For the year ended December 31, 2022, the NEOs of the Corporation were Michael J. Maguire (CEO), Lance Mierendorf (CFO), Stephen Lambert, previously the Corporation's Chief Quality and Risk Officer, now the Chief Operating Officer (COO), Donald Pack (Executive VP, North American Operations), and Samuel Ward (VP Operations - PNG).

On October 21, 2022 Donald Pack departed as Executive VP, North American Operations of the Corporation. On December 2, 2022 Samuel Ward departed as VP Operations - PNG.

#### **Base Salaries**

The purpose of the base salary is to attract and retain NEOs by providing a competitive base compensation amount. The level of base salary for each NEO is determined by the level of responsibility and the importance of the position to the Corporation, within competitive industry ranges. The Remuneration Committee makes annual recommendations to the Board regarding base salaries for each of the NEO.

#### **Annual Incentive Bonuses**

Annual incentive bonuses are a short-term variable compensation element designed to reward executives on an annual basis for their assistance in achieving the Corporation's business objectives for that year. Generally, such bonuses are of a discretionary nature based on a plan established at the start of each year. The Corporation's financial objectives are reviewed each year after the Board has considered and approved the annual operating and capital expenditure budgets for that year. The amount of bonus awarded to NEOs is calculated as a percentage of a maximum bonus pool directly tied to the profitability of the Corporation and is awarded only if threshold performance levels are met.

The purpose of the annual incentive bonuses is to pay for performance, align the executive's economic interest with the Corporation's short-term business objectives and to motivate and retain the executives. As with other years, the terms of the incentive plan for all employees and executive for 2022 were established through discussions among management, the Remuneration Committee, and the Board.

#### **Corporate Performance Bonuses**

The purpose of the Corporate Performance Bonus Plan is to provide certain executives and employees with a specified incentive to achieve the financial goals of the Corporation. The eligible participants in the Corporate Performance Plan for 2022 included three NEOs, Mr. Maguire (CEO), Mr. Mierendorf (CFO), and Mr. Lambert (COO).

The pool of funds available in 2022 for the Corporate Performance Bonus Plan is determined based on financial performance of the Corporation, measured by normalized Return on Equity ("ROE"). ROE is used to incent the Corporation's management team to provide sufficient returns for shareholders. The ROE measure determines the amount funded into a bonus pool for payout and payout will not occur unless certain budgeted EBITDA targets are achieved.

This methodology ensures that not only are shareholder returns achieved but that the Corporation's annual financial budget targets are achieved.

Individual bonus targets are established based upon the individual's position of responsibility and ability to influence the Corporation's financial or business objectives. Individual target bonus payouts are dependent upon certain financial, safety, corporate and personal targets being achieved. For the CEO, the Board of Directors approves all personal targets. For the other NEOs, personal objectives are approved by the CEO in consultation with the Remuneration Committee. Please refer to the "NEO 2022 Performance" section for further details.

The board awarded Mr. Maguire \$75,923, representing approximately 20% of his salary, Mr. Mierendorf \$53,156, representing 20% of his salary and Mr. Lambert \$62,248, representing approximately 20% of his salary.

***PNG Related  
Performance  
Bonuses***

The purpose of the Papua New Guinea ("**PNG**") Performance Bonus Plan is to incentivize management and employees responsible for contributing to the Corporation's business operations in Papua New Guinea profitably with strong safety and operational performance.

Consistent with prior years, the PNG Performance Bonus plan is funded through the contribution of a percentage of certain financial earnings for the Corporation's PNG business operations.

***Canadian  
Performance  
Bonuses***

Similar to the Corporate and PNG Performance Bonus Plans, the purpose of the Canadian Performance Bonus Plan is to provide business managers with a specified incentive to achieve the financial, safety and operational goals for the Canadian operations.

Following the 2022 sale of the Corporation's Canadian well servicing and snubbing businesses the scope of Canadian operations has been reduced substantially. The Canadian Performance Bonus plan is funded through the contribution of a percentage of certain financial earnings for the Corporation's remaining Canadian business operations and similar to the PNG Performance Bonus Plan, payout will not occur unless certain budgeted targets are achieved and are subject to adjustments for factors such as operational and safety performance of the remaining Canadian business.

## **Long-term Equity Incentive Plans**

In addition to recognizing the achievement of the Corporation's immediate objectives through the Corporation's Annual Incentive Plans, the Corporation recognizes the need to also incentivize its executives, directors, and certain eligible employees to achieving sustained long-term performance that will lead to growth in shareholder value. The Corporation believes that tying a portion of an executive's, director's or employee's compensation to the growth in the Corporation's equity value is an effective way to achieving this focus on long-term shareholder value creation.

The Corporation currently has three elements of long-term incentive compensation for executives and directors in its long-term incentive program: (1) an Option Plan, (2) the PSU Plan, and (3) the DSU Plan.

The Option Plan, PSU Plan and DSU Plan (collectively, the "**Equity Plans**") all contain the following limitations on the number of Common Shares subject to the Equity Plans: (i) the number of Common Shares issuable to insiders at any time, pursuant to the Equity Plans or any other share based compensation arrangements, shall not exceed 10% of the issued and outstanding Common Shares; (ii) the number of Common Shares issued to insiders pursuant to the Equity Plans or any other share based compensation arrangements within a 12 month period, shall not exceed 10% of the issued and outstanding Common Shares; and (iii) the aggregate number of Common Shares reserved for issuance to non-employee directors

under the Equity Plans and all other security based compensation arrangements shall not exceed 1% of the issued and outstanding Common Shares from time to time.

#### A. *Option Plan*

The Corporation adopted its current Option Plan at the annual general and special meeting of shareholders held on June 28, 2007 with subsequent amendments to the Option Plan being approved by the shareholders at the annual general and special meetings held on June 29, 2010, June 1, 2011, May 13, 2014, May 13, 2016, May 10, 2017, May 9, 2019 and May 12, 2022.

The Corporation's Option Plan is designed to attract and retain key individuals and to provide an incentive for the directors, officers, key employees and consultants to contribute to the future success and prosperity of the Corporation. Option based awards are designed to align executive and shareholder interests, focus executives on long-term value creation and also to support the retention of key executives. Directors, officers, key employees and consultants may be issued Options to purchase Common Shares as recommended by the Remuneration Committee and authorized by the Board of Directors. NEOs are excluded from the decision-making process regarding option-based compensation awarded to them. Previous grants of equity-based awards are taken into account when considering new grants of Options to the NEOs. The material terms of the Option Plan are described below.

The exercise price of the Options shall be determined by the Board of Directors, subject to applicable exchange and regulatory approval, at the time the Options are granted, provided that such exercise price shall not be less than the weighted average trading price of the Common Shares for the five trading days immediately prior to the date of grant.

The Option Plan also provides that the Options will have a term fixed by the Board of Directors, not to exceed the maximum term permitted by any applicable exchange or other regulatory body and will have the vesting conditions fixed by the Board of Directors, subject to applicable exchange and regulatory approvals. Generally, the options vest over a three-year period.

The Board may permit an Option holder to acquire Common Shares to be surrendered, unexercised, to the Corporation in consideration of the receipt by the Option holder of an amount equal to the difference, if any, between the aggregate fair market value of the Common Shares purchasable pursuant to the exercisable portion of such Option, on the date of the surrender, (as determined by the Board) and the aggregate exercise price with respect to such Common Shares pursuant to such Option.

An Option is personal to the holder of the Options and is non-assignable. If an Option holder ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries, for any reason (other than death), such Option holder may exercise its Option to the extent that the optionee was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the optionee ceases to be a director, officer, employee or consultant. In the event of the death of an Option holder, if and to the extent that the optionee was entitled to exercise its Options at the date of his or her death, the Option holder's estate has twelve (12) months in which to exercise the outstanding Options. In the event that an Option holder is terminated for "Cause" (as such term is defined in the Option Plan), all unvested Options and any vested Options that have not yet been exercised, shall be cancelled as of the Option holder's date of termination. For a further description of the treatment of Options in the case of the termination of an Option holder's employment or certain transactions involving the Corporation, see "*Termination and Change of Control Benefits*".

The Option Plan also includes a black-out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black-out periods". A black-out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSX recognizes these black-out periods might result in an unintended penalty to employees who are prohibited from exercising their Options during that period because of their company's internal trading policies. As a result, the TSX provides a framework for extending Options that would otherwise expire during a black out period. The Option Plan includes a provision that should an Option expiration date fall within a black out period or immediately

following a black out period, the expiration date will automatically be extended for 10 business days following the end of the black out period.

Pursuant to the Option Plan, the Board shall have the power, in the event of: (i) any disposition of all or substantially all of the assets of the Corporation, on the dissolution, merger, amalgamation or consolidation of the Corporation, with or into any other person, or the merger, amalgamation or consolidation of any other person into the Corporation; or (ii) any change of control of the Corporation, to amend any Option agreement to permit the exercise of any or all of the remaining Options prior to completion of any such transaction.

If the Board shall exercise that power, the Options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the optionee at any time or from time-to-time as determined by the Board prior to the completion of such transaction.

The Option Plan provides that if the outstanding Common Shares are increased, decreased, changed into or exchanged for a different number or kind of Common Shares or securities of the Corporation through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Common Shares or securities optioned and the exercise price per Common Share or security, as regards to previously granted and unexercised Options or portions thereof, and as regards to Options that may be granted subsequent to any such change in the Corporation's capital.

The Option Plan allows the Board of Directors to terminate or discontinue the Option Plan at any time without the consent of the Option holders provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Option Plan.

In addition, the Board of Directors may by resolution amend the Option Plan and any Options granted under it without further shareholder approval, to the extent that such amendments relate to among other things:

- (i) altering, extending, or accelerating the terms of vesting applicable to any Option or group of Options;
- (ii) altering the terms and conditions of vesting applicable to any Option or groups of Options;
- (iii) changing the termination provisions of an Option, provided that the change does not entail an extension beyond the original expiry date of such Option;
- (iv) accelerating the expiry date in respect of an Option;
- (v) determining the adjustment provisions pursuant to the Option Plan;
- (vi) amending the definitions contained within the Option Plan and other amendments of a "housekeeping" nature; and
- (vii) amending or modifying the mechanics of exercise of the Options.

However, the Board will not be entitled in the absence of shareholder and TSX approval to: (i) reduce the exercise price of an Option held by an insider of the Corporation; (ii) unless otherwise extended under the Option Plan, extend the expiry date of an Option held by an insider of the Corporation; (iii) increase the maximum number of Common Shares issuable pursuant to the Option Plan; (iv) amend the amendment provisions of the Option Plan; or (v) remove or exceed the insider participation limit.

During the previous two financial years ended December 31, 2022 and 2021 and from the period from January 1, 2023 to December 11, 2023, Options were granted to the NEOs as follows:

<b>Named Executive Officer</b>	<b>Number of Options Granted</b>	<b>Date of Grant</b>	<b>Exercise Price</b>
<b>Lance Mierendorf</b> CFO	100,000	September 30, 2021	\$1.37

Due to foreign tax considerations, no options were granted to Mr. Maguire (CEO) or Mr. Lambert (COO). As an alternative, the Corporation utilized its PSU Plan to provide long term incentives to Mr. Maguire and Mr. Lambert in 2021, 2022 and 2023, as described further below.

Mr. Pack departed the Corporation on October 21, 2022. Mr. Pack had 50,000 Options outstanding which expired and were cancelled on December 27, 2022.

Mr. Mierendorf departed the Corporation on August 17, 2023. Mr. Mierendorf had 100,000 Options outstanding which expired and were cancelled on November 17, 2023.

As at December 11, 2023, there were 117,000 Options outstanding, representing approximately 0.24% of the issued and outstanding Common Shares, leaving 4,795,230 Common Shares (equal to approximately 9.76% of the issued and outstanding Common Shares on that date) reserved and available for issuance upon the exercise of Options that may be granted in the future if Common Shares issuable on PSU Plan and DSU Plan are not included in such calculation.

## *B. PSU Plan*

The Corporation adopted the PSU Plan at the annual general and special meeting of the shareholders held on May 10, 2017. The PSU Plan permits the grant of Units to Executive Officers (as defined below) and consultants of the Corporation and its subsidiaries, partnerships, trusts or other controlled entities (each, a **"High Arctic Entity"**).

For purposes of the PSU Plan, **"Executive Officer"** means any individual who is an employee of the Corporation or any High Arctic Entity who is (i) the President and/or Chief Executive Officer of the Corporation; (ii) Chief Financial Officer a vice-president of the Corporation; or (iii) any other employee or consultant which the Board determines, in its sole discretion, is an executive officer or whom the Board believes may have the ability to impact the long-term goals and objectives of the Corporation or High Arctic Entities, as applicable.

The principal purpose of the PSU Plan is to develop the interest of Executive Officers and consultants of the Corporation and the High Arctic Entities in the growth and development of the Corporation by providing them with the opportunity to acquire an increased proprietary interest in High Arctic.

The PSU Plan is administered by the Board or an appointee of the Board. Under the PSU Plan, the Board may from time-to-time grant Units to Executive Officers and consultants of the Corporation and the High Arctic Entities (**"PSU Plan Participants"**) in such numbers, at such times and on such terms and conditions, consistent with the PSU Plan, as the Board may in its sole discretion determine.

The Board shall have discretion to apply vesting conditions on Units granted to a PSU Plan Participant, including a PSU Plan Participant's continued employment with, or provision of consulting services to, the Corporation or a High Arctic Entity and/or the satisfaction of certain performance criteria set by the Board based on corporate and personal performance (**"Performance Criteria"**).

Units that are granted under the PSU Plan that expire, terminate, or are cancelled or settled for any reason without being in the form of Common Shares issued, shall result in the Common Shares that were reserved for issuance under the PSU Plan being available for a subsequent grant of Units pursuant to the PSU Plan. Any increase in the issued and outstanding Common Shares (whether it is a result of settlement of Units or otherwise) will result in an increase in the number of Common Shares that may be issued pursuant to Units outstanding at any time and any increase in the number of Units granted will, upon the issue of Common Shares pursuant thereto, make new grants available under the PSU Plan.

On a date (a **"Unit Release Date"**) to be selected by the Board following the date a Unit has become a vested Unit, the Corporation, at the Board's discretion, shall either (i) make a cash payment to the PSU Plan Participant equal to the product of the number of vested Units recorded in the PSU Plan Participant's account multiplied by the fair market value of the Common Shares on the Unit Release Date, less applicable withholding taxes, or (ii) issue from treasury of the Corporation, that number of Common Shares in exchange for the vested Units, less applicable withholding taxes.

In the event the Corporation elects to settle the Units through the issuance of Common Shares, the Corporation, at the Board's discretion, has the option to either: (i) issue to the PSU Plan Participant that number of Common Shares from treasury equal to the number of Units in the PSU Plan Participant's account that are being settled; or (ii) pay to a broker designated by the Corporation the cash amount to settle the Units less applicable withholding taxes, and the broker will, as soon as practicable thereafter use all of the cash to purchase Common Shares on behalf of such PSU Plan Participant on the TSX.

On any date on which a cash dividend is paid on the Common Shares, a PSU Plan Participant's account will be credited with a dividend equivalent in the form of a number of Units calculated by multiplying the amount of the dividend per Common Share by the aggregate number of Units that were credited to the PSU Plan Participant's account as of the record date for payment of the dividend, and dividing that amount by the fair market value on the date on which the dividend is paid. If on the Unit Release Date a Black-Out Period (as defined below) has been imposed upon a PSU Plan Participant which is still in effect, then the Unit Release Date shall occur within ten days following the expiry of the Black-Out Period. A "**Black-Out Period**" will be any period of time imposed by High Arctic pursuant to any insider trading policy of the Corporation in effect at the applicable time upon certain designated persons during which those persons may not trade in securities of the Corporation.

Prior to the Unit Release Date in respect of any Units, or prior to the Unit Release Date in the case of a change of control or otherwise to the extent that the performance determination has not yet been made, the Board shall assess the performance of the Corporation for the applicable period.

The individual measures considered by the Board, including the comparative weighting of such measures, shall be determined by the Board in its sole discretion having regard to the principle purposes of the PSU Plan and, upon the assessment of the Performance Criteria, the Board shall determine the Corporation's ranking.

Measures that may be considered by the Board may include, but are not limited to, actual performance against the Corporation's strategic plan, total shareholder return of the Corporation against certain peer group members, and the attainment of certain operational, growth and financial milestones and metrics. A payout multiplier in respect of this ranking shall be determined in the range of 0.0 to 2.0 by the Board, in its sole discretion (the "**Payout Multiplier**").

Immediately prior to each Unit Release Date, the notional number of vested Units shall be adjusted by multiplying such number by the Payout Multiplier applicable to such Units.

Except in cases of termination of employment without cause as detailed in the paragraph below, upon the termination of the employment of a PSU Plan Participant (as a result of the participant ceasing to be actively employed by, or provide services as a consultant to the Corporation or a High Arctic Entity), any Units standing to the credit of such PSU Plan Participant which have not become vested on or before the date of the participant's termination (the "**Termination Date**"), shall immediately terminate and become null and void as of such date.

Subject to any provisions to the contrary in the employment or consulting agreement of any particular participant, upon the termination of employment without cause of such PSU Plan Participant, unless otherwise determined by the Board in its sole discretion, those Units awarded to such PSU Plan Participant that have not yet become vested, but would be eligible for vesting and issuance during the notice period specified in such participant's employment or consulting agreement, shall vest on the Termination Date. For a further description of the treatment of Units in the case of termination of a participant's employment or certain transactions including the Corporation, see "*Termination and Change of Control Benefits*".

Where the PSU Plan Participant's Termination Date occurs as a result of the participant's death, any Units standing to the credit of such Participant shall continue to vest (and be paid out) in the normal course for a period of twelve (12) months extending from the Participant's Termination Date. Any Units granted to such participant which have not become vested Units on or before the date that is the first anniversary of participant's Termination Date shall terminate and become null and void as of such date.

In the event of a Change of Control (as such term is defined in the PSU Plan) or a determination by the Board that a Change of Control is expected to occur, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the PSU Plan Participants in, and to prevent the dilution or enlargement of, any Units. See "*Termination and Change of Control Benefits*".

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders of the Corporation (other than the payment of ordinary cash or stock dividends in respect of the Common Shares), the number of Units then outstanding under the PSU Plan shall be adjusted in such manner, if any, as the Corporation may in its discretion deem appropriate to preserve, proportionally, the interests of PSU Plan Participants under the PSU Plan. Adjustments shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding, and conclusive.

Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation, the Board may at any time, without further action by, or approval of, the shareholders, amend the PSU Plan or any Units granted under the PSU Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (viii) ensure that Units granted under the PSU Plan will comply with any provisions respecting share units or other security-based compensation arrangements in the *Income Tax Act* (Canada) or other laws in force in any country or jurisdiction of which a PSU Plan Participant to whom a Unit has been granted may from time to time perform services or be resident;
- (ix) make amendments of a procedural or "housekeeping" nature;
- (x) change the termination provisions of a Unit granted under the PSU Plan which does not entail an extension of the expiry date of the Unit beyond the original expiry date of the Unit; or
- (xi) suspend or terminate the PSU Plan.

Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the PSU Plan Participants, or as otherwise required by law, alter, or impair any of the rights or obligations under any Unit theretofore granted.

Notwithstanding the above, approval of the shareholders will be required in order to:

- (i) increase the maximum percentage of outstanding Common Shares reserved for issuance under the PSU Plan;
- (ii) amend the determination of fair market value under the PSU Plan in respect of any Unit;
- (iii) extend the expiry date of any Unit;
- (iv) remove or increase any limit on grants of Units to insiders;
- (v) expand the circumstances under which Units may be assigned or transferred pursuant to the PSU Plan;
- (vi) amend the class of eligible PSU Plan Participants under the PSU Plan;
- (vii) amend the provisions regarding amendment to the PSU Plan; or
- (viii) grant additional powers to the Board to amend the PSU Plan or any Unit without the approval of shareholders.

Upon termination of the PSU Plan, subject to a resolution of the Board to the contrary, all unvested Units shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of the PSU Plan existing at the time of its termination and the applicable grant agreement, provided that no further Units will be credited to the account of any PSU Plan Participant. The effective date of the PSU Plan's termination shall be the date upon which no further Units remain outstanding.



Units under the PSU Plan are not assignable nor transferable by a PSU Plan Participant in whole or in part, either directly, by operation of law or otherwise, except through devolution by death, and no right or interest of any PSU Plan Participant under the PSU Plan or to receive any payment (whether in cash or Common Shares) shall be liable for or subject to any obligation or liability of such PSU Plan Participant. Subject to the requirements of applicable law, a PSU Plan Participant may designate in writing a beneficiary under the PSU Plan.

**CEO, Mr. Maguire:**

- 1) On March 14, 2022, Mr. Maguire was granted 99,999 RSU Units which vest in equal tranches on March 14, 2023, March 14, 2024 and March 14, 2025. As at the Effective Date, 33,333 of these RSU Units have vested.
- 2) On March 14, 2022, Mr. Maguire was granted 99,999 PSU Units, which vest in equal tranches on each of March 14, 2023, March 14, 2024 and March 14, 2025. On April 6, 2023, the Board determined that Mr. Maguire had achieved 55% of the Performance Criteria for the first tranche of 33,333 PSU Units from the 2022 grant that vested March 14, 2023 or 18,333 PSU Units, with the remaining 15,000 PSU Units being forfeited.
- 3) No new grants were issued in 2021.
- 4) On June 11, 2020, Mr. Maguire was granted 99,999 RSUs which vest in equal tranches on each of March 14, 2021, March 14, 2022 and March 14, 2023 and have a two-year release restriction following vesting. As at the Effective Date, all 99,999 of these RSU Units from the original grant have vested and been released as Common Shares.
- 5) On June 11, 2020, Mr. Maguire was granted 99,999 PSU Units which vest in equal tranches on each of March 14, 2021, March 14, 2022, and March 14, 2023. On March 14, 2021, the Board determined Mr. Maguire achieved 75% of the Performance Criteria for the first tranche of PSU Units from the 2020 grant that vested March 14, 2021, or 25,000 PSU Units, with the remaining 8,333 PSU Units being forfeited. Further, on March 14, 2022 the Board determined Mr. Maguire achieved 47% of the Performance Criteria for the second tranche of PSU Units from the 2020 grant that vested March 14, 2022, or 15,667 PSU Units, and with remaining 17,666 PSU Units being forfeited. Lastly, on April 6, 2023 the Board determined Mr. Maguire achieved 55% of the Performance Criteria for the third tranche of PSU Units from the 2020 grant that vested March 14, 2023, or 18,333 PSU Units, and with remaining 15,000 PSU Units being forfeited. As at the Effective Date, all 69,713 vested Units from the original grant have been released as Common Shares.
- 6) On accepting the appointment to the role of CEO in 2020, Mr. Maguire was granted 99,999 RSU Units under the PSU Plan. This award has a grant date of June 11, 2020 and the RSU Units which vest in equal tranches on each of March 14, 2021, March 14, 2022 and March 14, 2023 and have a two-year release restriction following vesting. As at the Effective Date, all 99,999 RSU Units from the original grant have vested and been released as Common Shares.
- 7) With a return of capital and corporate reorganization under consideration, no new grants were made in 2023.

**CFO, Mr. Mierendorf:**

- 1) On March 14, 2022, Mr. Mierendorf was granted 30,000 RSU Units which vest in equal tranches on March 14, 2023, March 14, 2024, and March 14, 2025. As at the Effective Date, 10,000 of these RSU Units have vested.
- 2) On March 14, 2022, Mr. Mierendorf was granted 52,500 PSU Units, which vest in equal tranches on each of March 14, 2023, March 14, 2024 and March 14, 2025. On April 6, 2023, the Board determined that Mr. Mierendorf had achieved 45% of the Performance Criteria for the first tranche of 17,500 PSU Units from the 2022 grant that vested March 14, 2023 or 7,875 PSU Units, with the remaining 9,625 PSU Units being forfeited.
- 3) November 12, 2021, Mr. Mierendorf was granted 17,500 PSU Units which vest fully on March 14, 2022. On March 14, 2022, the Board determined that Mr. Mierendorf achieved 55% of the Performance Criteria for the PSU Units from the 2021 grant that vested March 14, 2022 or 9,625 PSU Units, while the remaining 7,875 PSU Units were forfeited.

- 4) Mr. Mierendorf was appointed to CFO on October 1, 2021 and was subsequently granted 10,000 RSU Units under the PSU Plan. This award has a grant date of November 12, 2021 and the RSU Units vest fully on March 14, 2022 and have a two-year release restriction following vesting. As at the Effective Date, 10,000 of these RSU Units have vested.
- 5) With a return of capital and corporate reorganization under consideration, no new grants were made in 2023.
- 6) Mr. Mierendorf departed on August 17, 2023 as Chief Financial Officer. All vested PSUs were settled on departure and the unvested balance forfeit.

**Mr. Lambert:**

- 1) On March 14, 2022, Mr. Lambert was granted 30,000 RSU Units which vest in equal tranches on March 14, 2023, March 14, 2024 and March 14, 2025. As at the Effective Date, 10,000 of these RSU Units have vested.
- 2) On March 14, 2022, Mr. Lambert was granted 52,500 PSU Units, which vest in equal tranches on each of March 14, 2023, March 14, 2024, and March 14, 2025. On April 6, 2023, the Board determined that Mr. Lambert had achieved 73% of the Performance Criteria for the first tranche of 17,500 PSU Units from the 2022 grant that vested March 14, 2023 or 12,775 PSU Units, with the remaining 4,725 PSU Units being forfeited.
- 3) No new grants were issued in 2021.
- 4) On accepting his original appointment to the role of Chief Quality and Risk Officer, Mr. Lambert was granted 50,001 RSU Units under the PSU Plan. This award has a grant date of June 11, 2020 and the RSU Units which vest in equal tranches on each of March 14, 2021, March 14, 2022 and March 14, 2023 have a two-year release restriction following vesting. As at the Effective Date, all 50,001 of these RSU Units from the 2020 grant have vested and been released as Common Shares.
- 5) On June 11, 2020, Mr. Lambert was granted 52,500 PSU Units, which vest in equal tranches on each of March 14, 2021, March 14, 2022 and March 14, 2023. On March 14, 2021, the Board determined that Mr. Lambert had achieved 85% of the Performance Criteria for the first tranche of Units from the 2020 grant that vested March 14, 2021 or 14,875 PSU Units, with the remaining 2,625 PSU Units being forfeited. Further, on March 14, 2022 the Board determined Mr. Lambert achieved 75% of the Performance Criteria for the second tranche of PSU Units from the 2020 grant that vested March 14, 2022, or 13,125 PSU Units, with the remaining 4,375 PSU Units being forfeited. Lastly, on April 6, 2023, the Board determined that Mr. Lambert had achieved 73% of the Performance Criteria for the third tranche of Units from the 2020 grant that vested March 14, 2023 or 12,775 PSU Units, with the remaining 4,725 PSU Units being forfeited. As at the Effective Date, all 48,179 vested Units from the original grant have been released as Common Shares.
- 6) On June 11, 2020, Mr. Lambert was granted 30,000 RSU Units, which vest in equal tranches on March 14, 2021, March 14, 2022 and March 14, 2023 and have a two-year release restriction following vesting. As at the Effective Date, all 30,000 of these RSU Units from the original grant have vested and been released as Common Shares.
- 7) With a return of capital and corporate reorganization under consideration, no new grants were made in 2023.

**Mr. Pack:**

- 1) On March 15, 2022, Mr. Pack was granted 52,500 PSU Units. None of these PSU Units vested in 2022 and all of these PSU Units were forfeited upon his departure on October 12, 2022.
- 2) No new grants were issued in 2021.
- 3) On June 11, 2020, Mr. Pack was granted 52,500 PSU Units. All of these PSU Units, both PSU Units that vested in 2021 and 2022 and the unvested PSU Units, were forfeited upon his departure on October 12, 2022.
- 4) On March 14, 2018 Mr. Pack was granted 25,000 PSU Units which vested in equal tranches on March 14, 2019, March 14, 2020 and March 14, 2021. All of these PSU Units that have vested were released in 2021.

**Mr. Ward:**

On March 15, 2022, Mr. Ward was granted 52,500 PSU Units. None of these PSU Units vested in 2022 and all of these PSU Units were forfeited upon his departure on December 2, 2022.

- 1) No new grants were issued in 2021.
- 2) On June 11, 2020, Mr. Ward was granted 52,500 PSU Units. All of these PSU Units, both PSU Units that vested in 2021 and 2022 and the unvested PSU Units, were forfeited upon his departure on December 2, 2022.
- 3) In 2019, Mr. Ward was granted 30,000 RSU Units, which vested in equal tranches on November 12, 2019, March 14, 2020 and March 14, 2021. All of the Units that have vested were released in 2021.

As at December 11, 2022, there were 363,362 PSU/RSU Units outstanding in the PSU Plan, representing approximately 0.75% of the issued and outstanding Common Shares, leaving 4,548,868 PSU/RSU Units available for grant, or 9.26% of the issued and outstanding Common Shares if Common Shares issuable in the DSU Plan and Option Plan are not included in such calculation.

**C. DSU Plan**

The DSU Plan allows the Board (or an appointee of the Board) to grant DSUs, each of which is a unit that is equivalent in value to a Common Share (or cash equivalent thereof). DSUs will be fully vested upon grant and a Participant (as defined below) will have the right to receive, at the election of the Corporation, either a cash payment or the issuance of Common Shares on the Redemption Date (as defined below).

In accordance with the amendment provisions of the DSU Plan, approval from Shareholders will be sought at the Meeting to amend the DSU Plan as described in the attached Amended DSU Plan.

***Purpose of the DSU Plan and Eligibility***

The principal purposes of the DSU Plan are to provide non-employee directors of the Corporation and the High Arctic Entities with the opportunity to acquire DSUs to enable them to participate in the long term success of Corporation and to promote a greater alignment of interests between directors of the Corporation and its shareholders.

Any individual who is a non-employee member of the Board (an “**Eligible Director**”) of the Corporation or of a High Arctic Entity is eligible to participate in the DSU Plan.

***Grants of DSUs***

The DSU Plan will be administered by the Board or an appointee of the Board (which may be an officer or a committee of the Board, as determined in the Board’s sole discretion), which, from time to time in its sole discretion, will grant DSUs to Eligible Directors (“**Participants**”).

***Discretionary Grants***

The Board may grant DSUs to Participants in its sole discretion. In respect of each discretionary grant of DSUs, the Board will determine, among other things, the number of DSUs allocated to the Participant and such other terms and conditions of the DSUs applicable to each grant.

***Elected Grants***

In addition to the discretionary grants discussed above, a Participant may elect to receive all or a portion (the “**Elected Amount**”) of that Participant’s total cash compensation (which includes annual retainer, attendance fee and discretionary compensation payable to such director) in the form of DSUs, to be determined at the beginning of each financial quarter. Each Participant may elect, with respect to any financial quarter, to be paid a percentage (from 0 to 100% in 25% increments) of their total cash compensation in DSUs. If the Participant fails to make an election in accordance with the procedures as

outlined in the DSU Plan, the total cash compensation for such quarter will be paid in cash. All elections under the DSU Plan are irrevocable.

The number of DSUs to be credited to a Participant for services in a financial quarter will be determined by dividing the total amount of compensation that the Participant elected to receive in DSUs (payable by the Corporation on the last day of such financial quarter (the “**Purchase Date**”)) by the Fair Market Value (as defined below) as at the Purchase Date, or such other date as otherwise determined by the Board in its discretion.

### ***Limits on Issuances***

Unless otherwise approved by the shareholders, the aggregate number of Common Shares that may be reserved for issuance pursuant to DSUs created under the DSU Plan, together with all other security-based compensation arrangements that provide for the issuance of Common Shares (including the Amended Stock Option Plan and PSU Plan), shall not exceed ten percent (10%) of the issued and outstanding Common Shares from time to time.

The number of Common Shares issuable to Insiders (as defined by the TSX for this purpose) at any time, under all security based compensation arrangements of the Corporation, shall not exceed ten percent (10%) of the issued and outstanding Common Shares and the number of Common Shares issued to Insiders, within any one year period, under all security based compensation arrangements of the Corporation, shall not exceed ten percent (10%) of the issued and outstanding Common Shares.

The aggregate number of Common Shares that may be reserved for issuance pursuant to DSUs credited under the DSU Plan to independent directors, together with all other security-based compensation arrangements of the Corporation that provide for the issuance of Common Shares to independent directors, shall not exceed one percent (1%) of the issued and outstanding Common Shares from time to time.

DSUs that are granted under the DSU Plan that expire, terminate, or are cancelled or settled for any reason without being in the form of Common Shares issued, shall result in the Common Shares that were reserved for issuance under the DSU Plan being available for a subsequent grant of DSUs pursuant to the DSU Plan.

Any increase in the issued and outstanding Common Shares (whether it is a result of settlement of DSUs or otherwise) will result in an increase in the number of Common Shares that may be issued pursuant to DSUs outstanding at any time and any increase in the number of DSUs granted will, upon the issue of Common Shares pursuant thereto, make new grants available under the DSU Plan.

### ***Vesting***

DSUs will be fully vested upon being granted and credited to an account maintained by the Corporation for each Participant (an “**Account**”).

### ***Fair Market Value Determination***

The “**Fair Market Value**” of a Common Share for the purposes of the DSU Plan means, where the Common Shares are listed on the TSX (or such other exchange on which the Common Shares are then listed and posted for trading), the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding a particular date. If the Common Shares are not listed on any stock exchange, the “Fair Market Value” of a Common Share on a particular date shall be determined by the Board in its sole discretion.

### ***Dividend Equivalents***

On any date on which a cash dividend is paid on the Common Shares, a Participant's Account will be credited with a dividend equivalent in the form of a number of DSUs (including fractional DSUs, computed to three digits) calculated by multiplying the amount of the dividend per Common Share by the aggregate

number of DSUs that were credited to the Participant's Account as of the record date for payment of the dividend, and dividing that amount by the Fair Market Value on the date on which the dividend is paid.

### ***Termination of Service and Payout of DSUs***

A Participant will have the right to receive, at the election of the Corporation, either a cash payment or the issuance of Common Shares in respect of the settlement of the DSUs recorded in the Participant's Account, on the later of the following dates (the "**Redemption Date**"): (i) the third business day following the date on which the Participant ceases to serve as a director of, and is not an employee or officer of, the Corporation or a High Arctic Entity (the "**Separation Date**"); or (ii) such later date as may be agreed in writing between the Corporation and the Participant before the Separation Date, provided that in no event shall the Redemption Date be deferred to a date that is later than December 15th of the calendar year commencing immediately after the Separation Date.

A Participant (or in the event of the Participant's death, his beneficiary or legal representative) who is not a U.S. Director (as such term is defined in the DSU Plan) will receive (a) a payment (the "**Cash Payment**") equal in value to the number of DSUs recorded in the Participant's Account on the Separation Date multiplied by the Fair Market Value per Common Share on the Redemption Date, less any applicable withholding taxes, or (b) issuance from treasury of the Corporation of that number of Common Shares for the DSUs recorded on the Participant's Account, less applicable withholding taxes. Upon payment in full of the Cash Payment less any withholding taxes, or upon receipt of the Common Shares issued less any applicable withholding taxes, the DSUs will be cancelled and no further payments will be made to the Participant under the DSU Plan for such DSUs.

A Participant (or in the event of the Participant's death, his beneficiary or legal representative) who is a U.S. Director (as such term is defined in the DSU Plan) will receive cash equal to the Fair Market Value of the Common Shares on the Separation Date multiplied by the number of DSUs recorded on the Participant's Account, net of any applicable withholding tax.

In the event the Corporation elects to settle the DSUs through the issuance of Common Share, the Corporation has the option to either: (i) issue to the Participant that number of Common Shares from treasury equal to the number of DSUs in the Participant's Account that are being settled; or (ii) pay to a broker designated by the Corporation the Cash Payment less withholding taxes, and the broker will, as soon as practicable thereafter use all of the cash to purchase Common Shares on behalf of such Participant on the TSX.

### ***Black Out Periods***

If on the Redemption Date a Black-Out Period (as defined below) has been imposed upon a Participant which is still in effect, then the Redemption Date shall occur within ten days following the expiry of the Black-Out Period.

A "**Black-Out Period**" will be any period of time imposed by High Arctic pursuant to any insider trading policy of the Corporation in effect at the applicable time upon certain designated persons during which those persons may not trade in securities of the Corporation.

### ***Death of Participant***

In the event of the death of a Participant, the Corporation will, within two months of the Participant's death, pay cash equal to the Fair Market Value of the Common Shares multiplied by the number of DSUs recorded on the Participant's Account which would be deliverable to the Participant if the Participant had ceased being a director, in respect of the DSUs credited to the deceased Participant's Account (net of any applicable withholding tax) to or for the benefit of the Participant's beneficiary. The Fair Market Value will be calculated on the date of death of the Participant.

### ***Adjustments to DSUs***

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders of the Corporation (other than the payment of ordinary course cash or stock dividends in respect of the Common Shares), the number of DSUs then outstanding under the DSU Plan shall be adjusted in such manner, if any, as the Corporation may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the DSU Plan. Adjustments shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

### ***Amendment of the DSU Plan***

Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including the TSX), the Board may at any time, without further action by, or approval of, the shareholders, amend the DSU Plan or any DSU granted under the DSU Plan in such respects as it may consider advisable and, without imitating the generality of the foregoing, it may do so to: ensure that DSUs granted under the DSU Plan will comply with any provisions respecting deferred share units or other security based compensation arrangements in the *Income Tax Act* (Canada) or other laws in force in any country or jurisdiction of which a Participant to whom a DSU has been granted may from time to time perform services or be resident; make amendments of a procedural or "housekeeping" nature; suspend or terminate the DSU Plan. Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by law, alter or impair any of the rights or obligations under any DSUs theretofore granted. Shareholder approval shall be obtained for any amendments as required by the TSX, including, among other things, in relation to an amendment to remove or exceed insider participation limits under the DSU Plan and amendments to the amending provision.

### ***Transferability of Rights under DSU Plan***

DSUs under the DSU Plan are not assignable nor transferable by a Participant in whole or in part, either directly, by operation of law or otherwise, except through devolution by death, and no right or interest of any Participant under the DSU Plan or to receive any payment (whether in cash or Common Shares) shall be liable for or subject to any obligation or liability of such Participant. Subject to the requirements of applicable law, a Participant may designate in writing a beneficiary under the DSU Plan.

### ***Misconduct***

Subject to the terms of any particular grant under the DSU Plan, and unless otherwise determined by the Board, if it is determined that there has been Misconduct by a Participant, any DSUs accumulated and remaining on a Participant's Account as at the determination date of such Misconduct, including dividend equivalents in respect of such DSUs, shall be forfeited and cancelled immediately. "Misconduct" for the purposes of the DSU Plan shall mean (i) serious misconduct, including conduct which has a significant negative impact on the reputation or operations of the Corporation or the High Arctic Entities; (ii) fraud; (iii) a wilful breach of the provisions of applicable Corporation policies in effect from time to time; or (iv) failure to act in accordance with the directors' fiduciary obligations.

### ***DSUs issued in lieu of cash compensation***

The following transactions under the DSU Plan took place during 2022 and 2023:

On March 31, 2023, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	18,945	- Joe Oliver	10,317
- Daniel Bordessa	12,380	- Ember Shmitt	7,503

On June 30, 2023, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	19,783	- Joe Oliver	8,243
- Daniel Bordessa	10,510		

On September 30, 2023, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	17,712	- Joe Oliver	7,396
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On March 31, 2022, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	13,652	- Joe Oliver	5,688
- Daniel Bordessa	7,252	- Ember Shmitt	5,688

On June 30, 2022, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	14,681	- Joe Oliver	5,647
- Daniel Bordessa	7,421	- Ember Shmitt	6,453

On September 30, 2022, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	21,384	- Joe Oliver	10,596
- Daniel Bordessa	12,715	- Ember Shmitt	9,632

On December 9, 2022, each Board member was granted 15,000 DSUs, which were issued in respect of 2022 Board service.

On December 30, 2021, the following Board members were granted the following DSUs in lieu of cash payment for Director fees earned:

- Michael Binnion	15,296	- Joe Oliver	5,883
- Daniel Bordessa	7,732	- Ember Shmitt	5,883

No DSUs were exercised during 2022 or 2021 as no Board members left the Corporation during this period.

In 2023, 364,103 DSUs were exercised and cash settled for directors who left the Corporation.

As at December 11, 2023, there were 892,135 DSUs outstanding, representing approximately 1.83% of the issued and outstanding Common Shares, leaving 4,020,095 DSUs available for grant, or 8.17% of the issued and outstanding Common Shares, if Common Shares issuable in the PSU Plan and Option Plan are not included in such calculation.

### **Summary of Outstanding Equity Plans:**

The table below summarizes the total securities outstanding under the Corporation's long-term incentive plans as at December 11, 2023:

	<b>Options</b>	<b>RSU/PSU Units</b>	<b>DSU</b>	<b>Total</b>
Total Outstanding	117,000	363,362	892,135	1,372,497
% of Common Shares	0.24%	0.74%	1.81%	2.79%

### **Burn Rates**

The Corporation's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under each security-based compensation arrangement is as follows:

<b>Security-Based Compensation Arrangement</b>	<b>Fiscal 2020 (%)</b>	<b>Fiscal 2021 (%)</b>	<b>Fiscal 2022 (%)</b>	<b>Year to date 2023 (%)</b>
Option Plan	0.00	1.31	0.06	0.00
PSU Plan	1.83	0.33	0.56	0.00
DSU Plan	0.75	0.64	1.05	0.37
<b>Total</b>	<b>2.58</b>	<b>2.28</b>	<b>1.67</b>	<b>0.37</b>

The burn rate is calculated as a percentage, being the number of securities granted under a specific arrangement during the applicable fiscal year, divided by the weighted average number of securities outstanding for the applicable fiscal year. The burn rates are subject to change from time to time, based on the number of Options, RSU/DSU Units and DSU Units granted and the total number of Common Shares issued and outstanding.

## **Other Elements of Compensation**

### *Benefits and Perquisites*

In addition to the compensation elements set out above, the NEOs also participate in the Corporation's benefit plans that are available to all employees. The level of other perquisites depends on the employee's position. The purpose of the benefits and perquisites is to attract, retain and motivate the employees.

At the discretion of the Board, certain NEOs may also be entitled to receive an automobile and parking allowance.

The Corporation also offers a Group Registered Retirement Savings Plan ("**RRSP Plan**") that is available to full-time and part-time employees, including the NEOs that are resident in Canada. Participation into the RRSP Plan is voluntary, and employees can enroll immediately upon employment. Employer matching contributions begin after 6 months of continuous service. Matching contributions are between 3% - 5%, depending on length of service.

The overall contributions of the RRSP plan is capped at the allowable limits applicable to an RRSP under the *Income Tax Act* (Canada).

The NEOs residing in Australia participate in a statutory superannuation benefit plan that is intended to provide pension benefits to Australian based employees at the cost of the Corporation. For Messrs. Maguire and Lambert, this amounted to approximately \$22,843 each in 2022. For Mr. Ward this amounted to \$21,166 in 2022.

## **NEO 2022 Performance**

In assessing the performance of each NEO for 2022, the CEO, as well as the Remuneration Committee considered the following performance criteria:

- NEO contributions to the development and execution of the Corporation's business plans and strategies;
- Performance of the NEO's regional business units / functional areas;
- Prioritization of safety as a critical focus area and key measure of success;
- Achievement of their top five priorities;
- Level and scope of responsibility;
- Tenure with the Corporation;
- Demonstrated leadership ability;
- Teamwork; and
- Work ethic.

## **IV. Summary Compensation Table of NEOs**



The following table sets forth all annual and long-term compensation for the financial year ended December 31, 2022, with comparative information for years ended December 31, 2021 and December 31, 2020, for services in all capacities to the Corporation and its subsidiaries, if any, in respect of the NEOs.

SUMMARY COMPENSATION TABLE									
Name and Principal Position	Year Ended Dec. 31	Salary (\$)	Share-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$) <sup>(10)</sup>
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans			
<b>Michael J. Maguire</b> CEO <sup>(5)</sup>	2022	363,531	329,997	-	-	-	22,843	-	716,371
	2021	329,741	-	-	-	-	21,321	-	351,062
	2020	323,645	227,998	-	39,301	-	19,741	2,000	612,685
<b>Lance Mierendorf</b> CFO <sup>(6)</sup>	2022	262,500	136,125	-	-	-	-	4,200	402,825
	2021	59,567	49,225	57,560	-	-	-	1,050	167,402
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Stephen Lambert</b> COO <sup>(7)</sup>	2022	298,050	136,125	-	-	-	22,843	-	457,434
	2021	282,635	-	-	-	-	21,321	-	303,956
	2020	277,410	100,701	-	19,651	-	19,741	2,000	419,503
<b>Donald Pack</b> Executive VP, North American Operations <sup>(8)</sup>	2022	200,000	-	-	-	-	-	85,090	285,090
	2021	247,370	-	-	6,250	-	-	4,025	257,645
	2020	238,609	39,900	-	28,500	-	-	4,200	311,209
<b>Samuel Ward</b> VP Operations - PNG <sup>(9)</sup>	2022	264,105	-	-	26,802	-	21,166	76,958	389,031
	2021	277,924	-	-	26,459	-	21,321	-	325,704
	2020	268,163	39,900	-	15,719	-	19,741	-	343,523

- (1) **"Share-Based Award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.

**PSU Plan:** All 2022 amount reflect the grant date fair value of Units awarded determined by multiplying the number of Units granted by \$1.65, the trading value of the Common Shares at the time of grant. All 2021 amount reflect the grant date fair value of Units awarded determined by multiplying the number of Units granted by \$1.79, the trading value of the Common Shares at the time of grant. All 2020 amount reflect the grant date fair value of Units awarded determined by multiplying the number of Units granted by \$0.76, the trading value of the Common Shares at the time of grant.

- (2) **"Option-Based Award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The reported amounts reflect options awarded under the Option Plan and were calculated using the Black-Scholes model based on a trading value at award equal to the exercise price. This method is the same as the methodology used by the Corporation in calculating stock option compensation in its audited financial statements.
- (3) Annual Incentive Plans are awarded and paid in the year following the period in which the performance took place.
- (4) Other compensation includes severance amounts and parking allowances.
- (5) Mr. Maguire was appointed as CEO on March 23, 2020. Previously, he was President, International from December 2016. His remuneration has been converted from Australian dollars to Canadian dollars at an average annual exchange rate, except for his Annual Incentive Plan payments which has been converted in part from US dollars at the rate on the day of payment.
- (6) Mr. Mierendorf was appointed as Interim CFO in April 2021 on a consulting basis, and he was hired as a full-time employee as CFO in October 2021. 2021 values provided represent Mr. Mierendorf's compensation as a full-time employee of the Corporation.
- (7) Mr. Lambert was appointed Chief Operating Officer in November 2022 after having been appointed Chief Quality and Risk Officer in 2021. Mr. Lambert has had the previous roles with the Corporation include; Vice-President Business Support and Chief Process Officer, Director, Quality

and Risk, and General Manager International. His remuneration has been converted from Australian dollars to Canadian dollars at the average annual exchange rate, except for his Annual Incentive Plan payment which has been converted in part from US dollars at the rate on the day of payment.

- (8) Mr. Pack was appointed Executive VP, North American Operations in March 2020 and departed as Executive VP, North American Operations on October 21, 2022
- (9) Mr. Ward was appointed Vice President Operations - PNG in March 2020 and departed as Vice President Operations – PNG on December 2, 2022. His remuneration has been converted from Australian dollars to Canadian dollars at an average annual exchange rate, except for his Annual Incentive Plan payments which has been converted from US dollars at the rate on the day of payment.
- (10) The NEOs receive minimal perquisites/other benefits. However, none of the NEOs are entitled to perquisites or other personal benefits which in the aggregate, are worth over \$50,000 or over 10% of their base salary.

## V. Incentive Plan Awards

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end.

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options <sup>(1)(2)</sup> (\$)	Number of Shares or Share Units that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested <sup>(3)</sup> (\$)	Market or Payout Value of vested Share-Based Awards not paid out or distributed <sup>(4)</sup> (\$)
<b>Michael J. Maguire</b> CEO	Nil	Nil	Nil	Nil	319,662	495,476	308,126
<b>Lance Mierendorf</b> CFO	100,000	1.37	November 17, 2023	18,000	84,734	131,338	31,242
<b>Stephen Lambert</b> COO	Nil	Nil	Nil	Nil	135,195	209,552	144,031

- (1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities exceeded the exercise or base price of the option at the financial year end.
- (2) The aggregate of the excess, if any, between the market value of the Common Shares as at December 31, 2022 (the last day the Common Shares traded in the most recently completed financial year), being \$1.55 per Common Share, and the exercise price of the options.
- (3) The aggregate of the market value of the unvested Common Shares held under the PSU Plan as at December 31, 2022 (the last day the Common Shares traded in the most recently completed financial year), being \$1.55 per Common Share.
- (4) The aggregate of the market value of the vested Common Shares held under the PSU Plan as at December 31, 2022 (the last day the Common Shares traded in the most recently completed financial year), being \$1.55 per Common Share.

## Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards, share-based awards and non-equity incentive plan compensation which vested or was earned during the most recently completed financial year for each NEO.

Name and Title	Option-Based Awards - Value vested during the year <sup>(1)</sup> (\$)	Share-Based Awards - Value vested during the year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Michael J. Maguire CEO	Nil	175,254	Nil
Lance Mierendorf CFO	Nil	31,243	Nil
Stephen Lambert COO	Nil	84,551	Nil
Don Pack <sup>(3)</sup> Former Executive VP, North American Operations	Nil	10,553	6,250
Samuel Ward <sup>(3)</sup> Former VP Operations - PNG	Nil	26,428	26,459

(1) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the stock options. Mr. Mierendorf's stock options that vested during 2022 were out of the money on the date vested.

(2) Calculated based on the closing price of the Common Shares on the vesting date.

(3) All of the Share-based Awards for Mr. Pack and Mr. Ward were forfeited upon their departure on October 21, 2022 and December 2, 2022, respectively.

## VI. Group Savings and Retirement Plan

The Corporation has a group RRSP savings plan as described previously under the heading "Other Elements of Compensation - Benefits and Perquisites".

## VII. Termination and Change of Control Benefits

As at December 31, 2022, the Corporation has entered into employment agreements with Messrs. Maguire, Mierendorf and Lambert, (the "Employment Agreements"). Each of the Employment Agreements provides for the NEO's annual base salary, vacation entitlement and benefits.

Certain Employment Agreements have entitlements on termination and change of control as follows:

Termination Event	Provisions in employment agreements of NEOs
Resignation	<ul style="list-style-type: none"> <li>all salary and benefit programs end;</li> <li>vested stock options must be exercised within 90 days (per the Option Plan); and</li> <li>Units that are vested will be released on their respective Unit Release Date and Units that are not vested, but would be eligible for vesting during the notice period specified in the employee's employment or consulting agreement, will vest on the Termination Date (per the PSU Plan).</li> </ul>
Retirement	<ul style="list-style-type: none"> <li>all salary and benefit programs end;</li> <li>vested stock options must be exercised within 90 days (per the Option Plan); and</li> <li>Units that are vested will be released on their respective Unit Release Date and Units that are not vested, but would be eligible for vesting during the notice period specified in the employee's employment or consulting agreement, will vest on the Termination Date (per the PSU Plan).</li> </ul>
Death	<ul style="list-style-type: none"> <li>all salary and benefit programs end;</li> </ul>

## Termination Event

## Provisions in employment agreements of NEOs

	<ul style="list-style-type: none"><li>• vested stock options must be exercised within one year (per the Option Plan); and</li><li>• Units that are vested will be released and Units will continue to vest and be released for a period of twelve (12) months extending from the Termination Date (per the PSU Plan) and Units that are not vested within the first anniversary of death will terminate.</li></ul>
Termination without cause	<ul style="list-style-type: none"><li>• pay in lieu of notice equal to between one- and three-months' salary.</li><li>• for Mr. Maguire, within the first three years of employment, pay in lieu of notice equal to four months' salary. Thereafter, the notice period will increase by one month per year of service to a maximum of twelve months;</li><li>• vested stock options must be exercised within 90 days (per the Option Plan); and</li><li>• Units that are vested will be released on their respective Unit Release Date and Units that are not vested, but would be eligible for vesting during the notice period specified in the employee's employment or consulting agreement, will vest on the Termination Date (per the PSU Plan).</li></ul>
Termination for cause	<ul style="list-style-type: none"><li>• all salary and benefit plans end on the date of termination;</li><li>• all unvested and vested stock options that have not been exercised are cancelled as of the option holder's date of termination; and</li><li>• Units that are vested will be released on their respective Unit Release Date and Units that are not vested shall immediately terminate (per the PSU Plan).</li></ul>
Change of Control	<ul style="list-style-type: none"><li>• For Mr. Maguire, payment equal to base salary and benefits for eighteen months;</li><li>• For Mr. Mierendorf, payment equal to base salary and benefits for twelve months;</li><li>• vested stock options must be exercised within 90 days and unvested stock options may be deemed vested at the discretion of the Board of Directors (per the Option Plan); and</li><li>• the PSU Plan provides the Board with the ability to preserve Unit benefits through the issuance of replacement units, which vest under similar terms and conditions of the existing Units, or cause all Units to vest prior to the change of control, or any combination of these alternatives.</li></ul>

## Change of Control

The Employment Agreement of Mr. Maguire and Mr. Mierendorf contains specific provisions relating to a "change of control". Under the Employment Agreement:

- (a) in the event that there is a change of control, merger, amalgamation or reorganization of the Corporation or a sale of all or substantially all of its assets (a "**Trigger Event**"); and
- (b) as a result of the Trigger Event, that person is demoted, has a substantial reduction in responsibilities or is terminated or constructively dismissed,

then he is entitled to resign his employment and receive a severance payment equal to the aggregate of his base salary, vehicle allowance, insurance benefit program (based on employer contributions) and employer pension contributions based on the preceding 18 months and 12 months, respectively, which shall be paid as a retiring allowance if requested by the employee. Mr. Maguire and Mr. Mierendorf have 60 days following the Trigger Event to exercise the discretion to resign. The Employment Agreement also

provides that Mr. Maguire will be entitled to payment of any bonuses pursuant to any bonus plan that have accrued to the date of termination.

### Specific Payments Upon Termination of Employment

The following table sets out the estimated payments that Named Executive Officer would be entitled to upon resignation, retirement, termination without cause, termination for cause and a change of control, based on the compensation payouts for the year ended December 31, 2022:

Name	Event	Severance Period (# of months)	Base Salary <sup>(1)</sup> <sup>(6)</sup> (\$)	Benefits Value <sup>(2)</sup> (\$)	Options Value (\$)	Share-based Awards Value (\$)	Total incremental obligation (\$)
<b>Michael J. Maguire</b> CEO	Resignation	-	-	-	-	308,126 <sup>(5)</sup>	308,126
	Retirement	-	-	-	-	308,126 <sup>(5)</sup>	308,126
	Termination without cause	10	302,943	45,442	-	308,126 <sup>(5)</sup>	656,511
	Termination for cause	-	-	-	-	308,126 <sup>(5)</sup>	308,126
	Change of Control	18	545,270	81,795	-	803,602 <sup>(6)</sup>	1,430,667
<b>Lance Mierendorf</b> CFO	Resignation	-	-	-	- <sup>(3)</sup>	31,243 <sup>(5)</sup>	31,243
	Retirement	-	-	-	- <sup>(3)</sup>	31,243 <sup>(5)</sup>	31,243
	Termination without cause	3	65,625	9,844	- <sup>(3)</sup>	31,243 <sup>(5)</sup>	75,469
	Termination for cause	-	-	-	- <sup>(3)</sup>	31,243 <sup>(5)</sup>	31,243
	Change of Control	12	262,500	39,375	18,000 <sup>(4)</sup>	162,581 <sup>(6)</sup>	452,456
<b>Stephen Lambert</b> COO	Resignation	-	-	-	-	144,031 <sup>(5)</sup>	144,031
	Retirement	-	-	-	-	144,031 <sup>(5)</sup>	144,031
	Termination without cause	3	74,513	11,177	-	144,031 <sup>(5)</sup>	229,721
	Termination for cause	-	-	-	-	144,031 <sup>(5)</sup>	144,031
	Change of Control	Nil	-	-	-	353,582 <sup>(6)</sup>	353,582

- (1) The NEOs' monthly salary on December 31, 2022 multiplied by the number of months in the severance period. For individuals paid in Australian dollars, the amount is converted to Canadian dollars at a rate of one Australian dollar equals 0.92 Canadian dollar.
- (2) The value of 15% of the NEOs' severance base salary to compensate for the loss of benefits.
- (3) The total value of vested unexercised stock options that are in-the-money based on \$1.55, the closing price of the Common shares of the Corporation on the TSX on December 31, 2022.
- (4) The total value of vested and unvested unexercised stock options that are in-the-money based on \$1.55, the closing price of the Common shares of the Corporation on the TSX on December 31, 2022.
- (5) The value of Units that had vested as at December 31, 2022 based on \$1.55, the closing price of the Common shares of the Corporation on the TSX on December 31, 2022.
- (6) The total value of vested and unvested Units based on \$1.55, the closing price of the Common shares of the Corporation on the TSX on December 31, 2022.

### VIII. Compensation Claw backs

Each NEO shall repay or forfeit, to the extent permitted by law and as directed by the Board of Directors of the Corporation (the "Board"), any annual incentive or other performance-based compensation awards ("Awards") received by him or her on or after January 1, 2022 if all of the following conditions exist:

- the payment, grant or vesting of the Awards was based on the achievement of financial results that were subsequently the subject of a restatement of the Corporation or any of its subsidiaries financial statements (other than a restatement due to a change in accounting policy),
- the restatement occurs within thirty-six (36) months of the payment, grant or vesting of the Awards, and
- the amount of the compensation that would have been received by the executive officer had the financial results been properly reported would have been lower than the amount actually received, and
- the Board determines in its sole discretion that, as a direct result of the restatement of financial information and the impact on the amount of compensation previously paid, it is in the best interests of the Corporation and its shareholders for the executive officer to repay or forfeit all or any portion of the Awards.

Any of the Board's directors deemed not to be independent, as identified pursuant to applicable exchange listing standards, shall abstain from participation in the review of any Awards under the Compensation Claw back protocols.

Repayment can be made from the withholding of salary, proceeds of the sale of the Corporation's stock and the forfeiture of other outstanding awards. This remedy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Corporation.

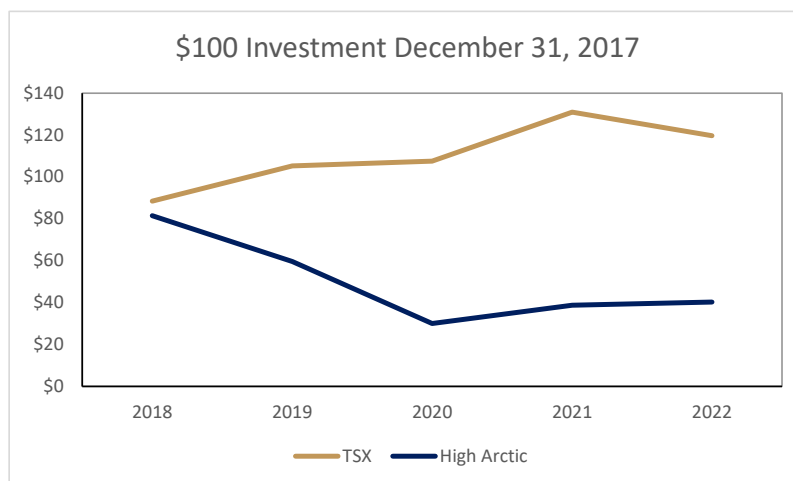
All determinations and decisions made by the Board's independent directors pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Corporation, its affiliates, its shareholders and employees.

## IX. Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to NEOs (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full-time employees) during the last completed financial year other than benefits and perquisites which did not amount to greater than \$50,000 or 10% of their base salary, per individual.

## PERFORMANCE GRAPH

The following five-year graph compares the yearly change in cumulative shareholder return over the periods indicated (assuming a \$100 investment was made on December 31, 2017) on the Common Shares of the Corporation, with the cumulative total return of the S&P/TSX Composite Index from December 31, 2017 to December 31, 2022.



Date	S&P Composite Index	Market Price per Common Share	Annual Dividends per Common Share
2018	14,323	\$3.17	\$0.198
2019	17,063	\$2.31	\$0.198
2020	17,433	\$1.16	\$0.033
2021	21,223	\$1.49	\$0.200
2022	19,385	\$1.55	\$0.045

The trend in the performance graph does not directly correlate to the trend of the compensation paid to the NEOs.

The Corporation has concluded that management must be compensated based on competitive market conditions and the value of the services provided, irrespective of Common Share price movements. The trading price of the Common Shares directly impacts the benefits enjoyed by the NEOs as a result of the NEOs' participation in the equity-based incentive plans offered by the Corporation.

### STATEMENT OF DIRECTOR COMPENSATION

For the year ended December 31, 2022, all Directors received an annual retainer of \$25,000 each. Further, annual retainers paid to the following chairs were returned to prior approved levels:

Position	Additional Compensation - 2022
Chair of the Board	\$50,000
Chair of the Audit Committee	\$15,000
Chair of the Remuneration Committee	\$5,000
Chair of the Governance and Nominating Committee	\$5,000
Chair of the Quality, Health, Safety and Environmental Committee	\$5,000
Members of the Executive Committee	\$6,000

The directors received a further \$1,250 per meeting of the Board and audit committee and for meetings of other committees that are not otherwise part of a board meeting.

#### I. Director Compensation Table

The following table sets forth all compensation provided to directors of the Corporation in the financial year ended December 31, 2022.

Name of Director	Fees Earned <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Simon P.D. Batcup	45,000	23,250	nil	nil	nil	68,250
Michael Binnion	97,250	23,250	nil	nil	nil	120,500
Daniel J. Bordessa <sup>(3)</sup>	52,250	23,250	nil	nil	nil	75,500
Joe Oliver	41,250	23,250	nil	nil	nil	64,500
Ember W.M. Shmitt <sup>(3)</sup>	41,250	23,250	nil	nil	nil	64,500
Douglas J. Strong	66,000	23,250	nil	nil	nil	89,250
	343,000	139,500	nil	nil	nil	482,500

(1) "Fees Earned" means quarterly fees earned by Directors in 2022.

(2) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock. The

value attributed is calculated based on \$1.55, the closing price of the Common shares of the Corporation on the TSX on December 31, 2022, multiplied by the number of awards (DSUs) issued in the year.

(3) Mr. Bordessa and Ms. Shmitt resigned from their Director roles during 2023.

## II. Incentive Based Awards

### Outstanding Share-Based Awards

The following table sets forth details of all awards outstanding for each independent director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name of Director	Share-Based Awards		
	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(1)</sup> (\$)
Simon P.D. Batcup	nil	nil	142,223
Michael Binnion	nil	nil	691,806
Daniel J. Bordessa <sup>(2)</sup>	nil	nil	261,032
Joe Oliver	nil	nil	242,450
Ember W.M. Shmitt <sup>(2)</sup>	nil	nil	244,170
Douglas J. Strong	nil	nil	135,672

(1) The total value of DSUs that had vested as at December 31, 2022 based on \$1.55, the closing price of the Common shares of the Corporation on the TSX, on December 31, 2022.

(2) Mr. Bordessa and Ms. Shmitt resigned from their Director roles during 2023.

### Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of share-based awards which vested or were earned during the most recently completed financial year for independent directors of the Corporation.

Name of Director	Share-Based Awards - Value vested during the year <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Simon P.D. Batcup	23,250	Nil
Michael R. Binnion	23,250	Nil
Daniel J. Bordessa <sup>(2)</sup>	23,250	Nil
Joe Oliver	23,250	Nil
Ember W.M. Shmitt <sup>(2)</sup>	23,250	Nil
Douglas J. Strong	23,250	Nil

(1) The total value of DSUs that had vested during the year based on \$1.55, the closing price of the Common shares of the Corporation on the TSX, on December 31, 2022.

(2) Mr. Bordessa and Ms. Shmitt resigned from their Director roles during 2023.

The significant terms of the DSU Plan are disclosed in this Circular under “Long-term Equity Incentive Plans.”



### III. Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full-time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

#### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at December 31, 2022 (the Corporation's most recently completed financial year).

Plan Category	Number of securities to be issued upon exercise or release of outstanding options and awards	Weighted average exercise price of outstanding options and awards	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column 1) <sup>(1)</sup>
Equity compensation plans approved by security holders	250,000 Common Shares under the Option Plan (0.51% of the issued and outstanding shares)  932,910 Common Shares under the PSU Plan (1.92% of the issued and outstanding shares)  1,107,970 Common Shares under the DSU Plan (2.28% of the issued and outstanding shares)	\$1.39 per Common Share  N/A  N/A	1,319,186 Common Shares (2.71% of the issued and outstanding shares)  867,090 Common Shares (1.78% of the issued and outstanding shares)  392,030 Common Shares (0.81% of the issued and outstanding shares)
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	2,290,880 Common Shares (4.70% of the issued and outstanding shares)	\$1.39 per Common Share	2,578,306 Common Shares (5.30% of the issued and outstanding shares)

(1) The total number of securities remaining available for future issuance under equity compensation plans is calculated as 10% of the issued and outstanding Common Shares at December 31, 2022, less the outstanding Options, Units and DSUs. Units and DSUs available are based on reserve limits set with the TSX.

#### CORPORATE GOVERNANCE DISCLOSURE

The Board of Directors of the Corporation is responsible for all corporate governance matters relating to the Corporation. Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices, which are in the interest of its shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 - Disclosure of Corporation Governance Practices ("NI 58-101") requires an issuer that solicits proxies from its security holders for the purpose of electing directors to include certain prescribed disclosure respecting corporate governance matters in its information circular. The prescribed corporate governance disclosure is set out below.

## Board of Directors

As of December 11, 2023, the Board of Directors was composed of four (4) members, all of whom are independent directors based upon the Board's assessment of the meaning of independence provided in NI 58-101.

During 2022 and year to date 2023, the directors held no formal meetings where members of management were not in attendance. The Board ensures open and candid discussion among its directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the *Business Corporations Act* (Alberta). The Board may determine that it is appropriate to hold an *in camera* session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself/herself from considering and voting with respect to the matter under consideration.

Michael Binnion is the current Chairman of the Board. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the Board of Directors and, unless otherwise determined and at all meetings of shareholders. The Chairman's primary role is managing the affairs of the Board, including ensuring the Board is organized properly, functions effectively and meets its obligations and responsibilities, including general governance standards.

Among other things, the Chairman is to ensure corporate strategy, annual operating plans and performance reports are presented to the Board, ensure the CEO presents management development and succession plans at least annually and implements them and foster a constructive and harmonious relationship between the Board and management.

The following table sets forth: (i) the name of each reporting issuer, other than the Corporation, of which a director of the Corporation is also a director; and (ii) the attendance record for each director for all meetings of the Board of Directors for 2022 and 2023.

Name of Director	Other Reporting Issuers	Attendance Record at the Corporation's 2022 and 2023 Board Meetings
Simon P. D. Batcup	None	7 of 7 meetings in 2022 6 of 6 meetings in 2023
Michael R. Binnion	Questerre Energy Corporation Huntington Exploration Inc.	7 of 7 meetings in 2022 6 of 6 meetings in 2023
Daniel J. Bordessa	None	7 of 7 meetings in 2022 4 of 4 meetings in 2023 <sup>(1)</sup>
Joe Oliver	Firm Capital Mortgage Investment Corporation	7 of 7 meetings in 2022 6 of 6 meetings in 2023
Ember Shmitt	None	6 of 7 meetings in 2022 3 of 3 meetings in 2023 <sup>(2)</sup>
Douglas J. Strong	None	7 of 7 meetings in 2022 6 of 6 meetings in 2023

(1) Mr. Bordessa resigned as a Director in 2023.

(2) Ms. Shmitt resigned as a Director in 2023.

## Board Mandate

The principal mandate of the Board of Directors is to oversee the management of the business and affairs of the Corporation and monitor the performance of management. Attached as Exhibit I to this Circular is the complete text of the Mandate of the Board of Directors.

## Position Descriptions

The Board of Directors have developed a written position description for the Chairman.

The Board of Directors and the Chief Executive Officer have developed a written position description for the Chief Executive Officer. The Board of Directors currently sets the annual objectives of the Corporation, which become the objectives against which the Chief Executive Officer's performance is measured.

The Board of Directors have adopted written terms of reference for each of the Board committees, clearly delineating the roles and responsibilities attributed to each.

### **Orientation and Continuing Education**

The Corporation has a formal orientation and training program in place. New members of the Board of Directors receive an information package and must attend a formal orientation session presented by the officers of the Corporation. All members of the Board of Directors are allowed unrestricted direct access to any of the senior management of the Corporation and their staff.

The Governance and Nominating Committee reviews and provides ongoing guidance to management to ensure that an appropriate orientation and continuing education program for individual members of the Board of Directors, the Board as a whole, and new members of the Board of Directors is established and maintained. The Governance and Nominating Committee is also responsible for monitoring changes to applicable laws, regulations, and industry practices in regard to corporate governance and ensures that the Board of Directors are kept informed of relevant aspects thereof.

### **Code of Business Ethics and Conduct**

The Board of Directors has adopted a written code of business conduct (the “**Code**”). The Code was reviewed, updated and approved by the Board in May 2023 and incorporates 17 governance standards. The Code reflects the Corporation's commitment to maintain high standards of integrity and accountability in conducting its business while at the same time growing its business and value.

The Code requires directors and officers to disclose any potential conflicts of interest in writing to the Board of Directors for review in accordance with applicable law and in any event, on an annual basis.

The Board of Directors monitors and ensures compliance with the guidelines set out in the Code including compliance in all material respects, with all applicable financial reporting and accounting requirements applicable to the Corporation. Any concerns or complaints in this regard may be reported in accordance with the procedures outlined in the Corporation's Whistleblower Standard. The Whistleblower procedures by which representatives may make confidential and anonymous submissions regarding unethical or illegal behaviour, or questionable accounting, internal accounting controls or auditing related matters involving the Corporation and non-compliance with the Code are made available to all employees. An independent hotline complete with the ability to report via telephone or online is in place to maintain complete anonymity.

Waivers from the Code will generally only be granted in appropriate circumstances upon full review and consideration of a request from a waiver, on a case-by-case basis. Waivers granted for the benefit of senior officers or directors require approval from the Governance and Nominating Committee, which should ascertain whether a waiver is appropriate and seek to ensure that the waiver is accompanied by appropriate controls designed to protect the Corporation's interests.

Certain of the directors of the Corporation may also be directors and officers of other oil and gas companies and oilfield service companies, and conflicts of interest may arise between their duties.

Such conflicts must be disclosed in accordance with, and are subject to, such other procedures and remedies as applicable under the *Business Corporations Act* (Alberta).

### **Nomination of Directors**

The Board of Directors has formed the Governance and Nominating Committee and recognize that proper and effective corporate governance is a significant concern and a priority for investors and other stakeholders, and, accordingly, the Board of Directors have instituted a number of procedures and policies

to improve the overall governance of the Corporation. The current members of the Governance and Nominating Committee are Simon Batcup (Chair), Douglas Strong, and Michael Binnion.

The Governance and Nominating Committee assists the Board of Directors with the nomination of directors of the Corporation. The Governance and Nominating Committee follows written guidelines with respect to identifying, recruiting, appointing, re-appointing and providing ongoing development for members of the Board of Directors. The Governance and Nominating Committee assesses potential candidates in relation to the competencies and skills necessary for the proper functioning of the Board of Directors.

The Governance and Nominating Committee annually assesses the size, structure and composition of the Board of Directors, taking into consideration the current strengths, skills and experience of the Board of Directors, proposed retirements and the requirements and strategic direction of the Corporation. As required, the Governance and Nominating Committee also develops and approves director eligibility criteria and recommends suitable candidates to the Board of Directors for consideration for the appointment to the office of Chairman, as well as members of the Board of Directors.

The Governance and Nominating Committee annually assesses individual director performance and the evaluation of the performance of the Board of Directors as a whole, including their processes and effectiveness and what competencies and skills each existing director possesses.

The Governance and Nominating Committee operates under a written "Governance and Nominating Committee Terms of Reference" that details its composition, its duties and its reporting responsibilities which includes:

- (a) monitoring the appropriateness of the Corporation's governance systems with regard to external governance standards, "best practices" guidelines and with an emphasis on "ongoing improvements";
- (b) oversee the Corporation's environmental, social and governance ("ESG") framework;
- (c) reviewing the makeup and needs of the Board of Directors and developing criteria for adding new directors to the Board of Directors; and
- (d) evaluating and assessing the effectiveness of the Board of Directors, and its committees in meeting governance objectives and each individual's own contributions.

The Governance and Nominating Committee Terms of Reference are published on the Corporation's website.

## **Compensation**

The Remuneration Committee is charged with reviewing and making recommendations to the Board in respect of the compensation matters relating to the Corporation's executive officers, employees and directors. As a part of this process, compensation levels are set by reviewing compensation paid for directors and officers of companies of similar size and stage of development. For more information regarding the Remuneration Committee including a complete description of the Remuneration Committee's primary duties and responsibilities see the "*STATEMENT OF EXECUTIVE COMPENSATION FOR HIGH ARCTIC - Role and Composition of the Remuneration Committee*" section of this Circular.

## **Other Board Committees**

The Corporation has established an Audit Committee (as described in the Corporation's Annual Information Form dated March 27, 2023 for the year ended December 31, 2022, as amended by the Annual Information Form dated as of November 6, 2023, filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca)), a Remuneration Committee (discussed previously), a Governance and Nominating Committee (discussed previously), and a Quality, Health, Safety and Environmental Committee to assist the Corporation and its subsidiaries in effectively carrying out its responsibilities. The Corporation also established a Mergers and Acquisitions Committee in 2019 and an Executive Committee in 2020, which were combined in 2021 into the Executive Committee.

### *Quality, Health, Safety and Environmental Committee*

The Quality, Health, Safety and Environmental Committee is responsible for monitoring and making recommendations with respect to the quality, health, safety and environmental policies, practices and procedures of the Corporation and its subsidiaries. The Quality, Health, Safety and Environmental Committee operates under a written “Quality, Health, Safety and Environmental Committee Terms of Reference” that details its composition, its duties, and its reporting. The current members of the Quality, Health, Safety and Environmental Committee are Simon Batcup (Chair) and Douglas Strong. The Quality, Health, Safety and Environmental Committee Terms of Reference are published on the Corporation’s website.

### *Executive Committee*

Consistent with the Corporation's strategy to preserve a strong financial position, the Executive Committee oversees and reviews management’s measures to sustain safe, quality-based customer service, financial liquidity and stakeholder communication. The committee reviews and oversees significant investing and divesting matters being considered by management and the use of the Corporation’s capital.

The current members of the Executive Committee are all four (4) of the current Directors.

### **Assessments**

Ensuring the effectiveness of the Board of Directors, its committees and individual directors is assigned to the Governance and Nominating Committee. The Governance and Nominating Committee annually reviews the mandate of the Board of Directors and the fulfilment of such mandate.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Board believes that issues relating to board effectiveness, board renewal and board succession planning are best addressed by a strong chair, a thoughtful governance committee and independent-thinking board members. The Board is responsible for recommending to shareholders from time-to-time candidates for election to the Board that together contribute the right mix of skills and expertise to the Board. To assist in making those recommendations, the Board periodically conducts both formal and informal reviews of the effectiveness of the Board and individual Board members.

The Board is concerned that imposing arbitrary and inflexible director term limits may result in High Arctic losing valued directors at a time when High Arctic most needs their skills, qualities, and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when they force a high performing director off the Board. As a result the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.

### **Policies Regarding the Representation of Women on the Board**

The Board supports the objectives of increasing diversity on boards of directors and at the executive levels of issuers and recognizes that diversity provides a depth and breadth of viewpoints and perspectives. However, the Board has not adopted a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board.

The Board and the Governance and Nominating Committee believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time.

The Corporation is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed

to achieve its business objectives is in the best interests of the Corporation and its stakeholders, without reference to their age, gender, race, ethnicity or religion.

Accordingly, a formal written policy has not been adopted as the Board and the Governance and Nominating Committee are committed to a merit and qualifications-based method of selecting directors and believes that imposing quotas or targets would compromise its principle-based candidate selection system.

### **Consideration of the Representation of Women in the Director Identification and Selection Process**

The Governance and Nominating Committee and the Board go through a rigorous process when considering a nominee director including an evaluation of the skills and experience of the current directors, determining the gaps in skills and experience that exist and finding potential candidates to fill those gaps and round out the skills and experience of the Board of Directors as a whole. While gender has factored into recent director searches, the final recommendation for nomination has been based on the best combination of skills and experience for the position without placing a specific emphasis on gender as a factor.

### **Consideration given to the Representation of Women in Executive Officer Appointments**

The Board does not specifically consider the level of female representation in executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of the Corporation's executive officers as a whole.

### **Corporation's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Board does not have specific targets in respect of appointing women to executive officer appointments, as a result of its commitment to a principle-based selection process, as discussed above.

### **Number of Women on the Board and in Executive Officer Positions**

Presently, there are no women (nil%) serving on the Board and no women in executive officer positions (nil%). There are four women (31%) in senior management and head of department roles.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or any of its subsidiaries, nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein, or as previously disclosed, no informed person or proposed director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation and no associate or affiliate of the foregoing

persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Financial information of the Corporation's most recently completed financial year is provided in the Corporation's audited consolidated financial statements and management discussion and analysis available on SEDAR+ and at [www.haes.ca](http://www.haes.ca). Shareholders may contact the Corporation at 2350, 330 – 5<sup>th</sup> Ave S.W., Calgary, Alberta, T2P 0L4, Attn: Interim Chief Financial Officer (587) 318-2218 to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

#### **BOARD APPROVAL**

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED this 11th day of December, 2023.

**SCHEDULE A**  
**MEETING REQUISITION**

**DELIVERED BY COURIER AND E-MAIL**

October 19, 2023

**TO:**

High Arctic Energy Services Inc.  
Calgary Place I, Suite 2350  
330 - 5<sup>th</sup> Ave SW  
Calgary, AB  
T2P 0L4

**AND TO:**

The Board of Directors (the “**Board**”) of High Arctic Energy Services Inc. (the “**Corporation**”), being Michael Binnion, Simon Batcup, The Honourable Joe Oliver and Douglas Strong

each c/o High Arctic Energy Services Inc.  
Calgary Place I, Suite 2350  
330 - 5<sup>th</sup> Ave SW  
Calgary, AB  
T2P 0L4

**Attention: Michael Binnion, Director and Chairman of the Board**

Dear Mr. Binnion:

**RE: Requisition of Special Meeting of Shareholders of the Corporation**

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**THE UNDERSIGNED** (the “**Concerned Shareholder**”), being the beneficial owner of not less than five percent (5%) of the issued and outstanding shares of the Corporation (the “**Shares**”) that carry the right to vote at a shareholders’ meeting, hereby requisitions (this document, this “**Requisition**”) the Board to call a special meeting of the shareholders of the Corporation (the “**Meeting**”), by no later than November 30, 2023 for the transaction of the following business:

1. To consider and, if thought advisable, to pass an ordinary resolution to be approved by a majority of votes cast to remove Michael Binnion from the Board (the “**Removal Resolution**”).
2. if the Removal Resolution is passed, to consider and to vote on the election of a director to fill the vacancy created by the Removal Resolution, with the shareholders having the opportunity to nominate candidates for such election in accordance with the terms of the Corporation's bylaws, such director to hold office until the next annual meeting of shareholders of the Corporation; and



3. the transaction of such other business as may properly come before the Meeting.

In the event that the Board fails to call the Meeting within 21 days after receiving this Requisition, the Board is hereby notified that the undersigned will call the Meeting. This Requisition is made pursuant to Section 142(1) of the Business Corporations Act (Alberta) (the “**Act**”).

The Concerned Shareholder may submit a nomination for the election of a director to the Board as contemplated above to fill a vacancy created by the Removal Resignation and, if so, will do so in accordance with the requirements of the Corporation's by-laws and applicable laws. To the extent that no nominees are submitted by the Concerned Shareholder, or the vacancy created by the Removal Resolution is otherwise not filled at the Meeting, such vacancy may be filled by the Board in accordance with section 111(1) of the Act.

It is of utmost importance that the Board not delay in calling the Meeting, given that the Corporation is currently in the process of negotiating a material reorganization transaction that will result in a fundamental change to the Corporation and have a material impact on shareholders' investment in the Corporation. The undersigned Concerned Shareholder and other minority shareholders of the Corporation have lost confidence that Mr. Binnion and the Board are properly protecting the interests of minority shareholders in such negotiation.

Delivery of an executed signature page of this Requisition instrument by electronic transmission shall be effective as delivery of a manually executed signature page of this Requisition instrument.

DATED this 19<sup>th</sup> day of October, 2023.

**VN Capital Management, LLC**

Per: (signed) “James T. Vanasek”

Name: James T. Vanasek

Title: Principal