

CATHEDRAL ENERGY SERVICES LTD.

6030 - 3rd Street S.E.
Calgary, Alberta T2H 1K2

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of **CATHEDRAL ENERGY SERVICES LTD.** ("**Cathedral**" or the "**Corporation**") will be held at Cathedral's head office which is located at 6030 – 3rd Street S.E., Calgary, Alberta, Canada at 3:30 p.m. (Mountain Time) on Thursday, May 9, 2024, for the following purposes:

1. To receive the consolidated financial statements of Cathedral for the year ended December 31, 2023, together with the auditor's report thereon;
2. To fix the number of directors (collectively, the "**Directors**") of Cathedral to be elected at the Meeting at seven (7) and to elect the Directors of Cathedral to hold office until the next annual meeting of Shareholders;
3. To appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as the auditors of Cathedral until the next annual meeting of Shareholders and to authorize the Directors to fix their remuneration for the ensuing year;
4. To pass an ordinary resolution approving all unallocated entitlements under Cathedral's stock option plan, as more particularly described in the management information circular of Cathedral dated March 25, 2024 (the "**Information Circular**") accompanying this Notice of Annual and Special Meeting of Shareholders (this "**Notice of Meeting**");
5. To pass a special resolution to approve an amendment to the articles of the Corporation to change the name of the Corporation to "ACT Technology Services Ltd." or such other name as the board of directors of the Corporation (the "**Board**"), in its sole discretion, deems appropriate and as may be approved by applicable regulatory authorities, as more particularly described in the Information Circular;
6. To pass a special resolution authorizing the Board to, in its discretion, file articles of amendment to the Corporation's articles to consolidate (or reverse split) the Common Shares into a lesser number of Common Shares at a consolidation ratio to be determined by the Board but within the range of one (1) post-consolidation share for every five (5) to ten (10) pre-consolidation Common Shares, as more particularly described in the Information Circular; and
7. To transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The Information Circular should be consulted for further details on matters to be acted upon.

This Notice of Meeting is accompanied by the Information Circular and a form of proxy ("**Form of Proxy**"). The Information Circular is expressly made part of this Notice of Meeting. Capitalized words that are not otherwise defined in this Notice of Meeting shall have the meaning set out in the Information Circular.

Only holders of Common Shares of Cathedral of record at the close of business on March 25, 2024 are entitled to notice of the Meeting and only those holders of the Common Shares of Cathedral of record at the close of

business on March 25, 2024, or who subsequently become Shareholders and comply with the provisions of the *Business Corporations Act* (Alberta), are entitled to vote at the Meeting.

DATED at Calgary, Alberta, this 25th day of March, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS OF
CATHEDRAL ENERGY SERVICES LTD.**

"Thomas Connors"

Thomas Connors

President, Chief Executive Officer and Director

SECTION 7 OTHER INFORMATION

7.1 Indebtedness of Directors, Executive Officers and Employees

As at the date hereof, no current or former executive officer, director or employee of Cathedral or of any of its subsidiaries is indebted: (i) to Cathedral or any of its subsidiaries; or (ii) to another entity, where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Cathedral or any of its subsidiaries.

Other than as disclosed in the table below, no director or executive officer of Cathedral, or any individual who was a director or executive officer of Cathedral at any time during the most recently completed financial year, or any associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of Cathedral, indebted to Cathedral or any of its subsidiaries, nor is, or at any time since the beginning of the most recently completed financial year of Cathedral has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Cathedral or any of its subsidiaries.

| Name and Principal Position | Involvement of Company or Subsidiary | Largest Amount Outstanding During Financial Year Ended December 31, 2023 (\$) | Amount Outstanding as at December 31, 2023 (\$) | Security for Indebtedness | Amount Forgiven During Financial Year Ended December 31, 2022 (\$) |
|--|--------------------------------------|---|---|--|--|
| Tom Connors, President and Chief Executive Officer | Lender | 130,000 | Nil | Common Shares and Warrants purchased with loan | Nil |

In conjunction with Mr. Connors' appointment as the President and Chief Executive Officer of Cathedral, on February 8, 2021, the Corporation issued 650,000 units ("Units") to Mr. Connors at a price of \$0.20 per Unit, with each Unit consisting of one (1) Common Share and one-half (1/2) common share purchase warrant (each whole common share purchase warrant, a "Warrant"), using a loan (the "Loan") provided by Cathedral on commercial terms of \$130,000. The Loan accrued interest at the Canada Revenue Agency prescribed rate of 1% per annum and is repayable in full on February 6, 2026. Mr. Connors repaid the Loan in full, together with all accrued interest, on March 9, 2023.

7.2 Interest of Certain Persons and Companies in Matters to be Acted Upon

Neither Cathedral, nor any person who has been a director or senior officer of Cathedral, nor a member of the Board at any time since the beginning of Cathedral's last completed financial year, nor any proposed nominee for election as a director of Cathedral or a member of the Board, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as disclosed in this Information Circular.

7.3 Interest of Informed Persons in Material Transactions

Except as disclosed in this Information Circular, neither Cathedral, nor any informed person has or has had, at any time since the beginning of Cathedral's most recently completed financial year, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or

would materially affect Cathedral or any of its subsidiaries, except for any interest arising from the ownership of Common Shares where the Shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all Shareholders.

For the purposes of this Information Circular, an "**informed person**" means: (i) a director or officer of Cathedral; (ii) a director or executive officer of a person or company that is itself an informed person or a subsidiary of Cathedral; or (iii) any person or company who beneficially owns, directly or indirectly, or controls or directs, directly or indirectly, voting securities of Cathedral carrying more than ten percent (10%) of the voting rights attaching to all outstanding voting securities of Cathedral.

There may be situations in which the interests of Cathedral will conflict with those of Shareholders. In resolving any conflicts, decisions will be made on a basis consistent with the objectives and funds of each group of interested parties and the time limitations on investment of such funds, all consistent with the duty of the Board to deal fairly and in good faith with each such group of persons. In the event that the interests of the Board are in conflict with those of Shareholders, the members of the Board are obliged to make decisions acting in good faith, having regard to the best interests of Shareholders and in a manner that would not contravene their fiduciary obligations to Shareholders.

On July 22, 2021, the Corporation acquired the directional drilling business of Precision (the "**Precision Transaction**") for a purchase price of \$6,350,000 by way of the issuance to Precision of 13,400,000 Common Shares and warrants to acquire 2,000,000 Common Shares at an exercise price of \$0.60 per share until July 22, 2023. Immediately following the Precision Transaction, Precision held 17.5% of the then issued and outstanding Common Shares.

As part of the Precision Transaction, the Corporation and Precision entered into the Precision Rights Agreement pursuant to which, among other things, Precision was granted the right to nominate a member to the Board and certain customary participation rights in respect of future sales of securities by the Corporation. Precision maintained such investor rights for so long as it continued to hold 10% or more of the issued and outstanding Common Shares (calculated on a partially diluted basis giving effect to the exercise or conversion of any convertible securities which may be held by Precision). Under the terms of the Precision Transaction, the Common Shares issued to Precision are subject to contractual restrictions on resale as follows: 25% were restricted until January 22, 2022; a further 25% were restricted until July 22, 2022; and a further 50% were restricted until July 22, 2023, subject to certain exceptions.

Concurrently with the closing of the Precision Transaction, Shuja Goraya, the Chief Technology Officer of Precision, was appointed to the Board as Precision's nominee under the Precision Rights Agreement. Although Precision now holds less than 10% of the Common Shares of the Corporation, the Board decided in 2023 and again in 2024 to nominate Mr. Goraya for re-election to the Board, due to his significant contributions.

7.4 Additional Information

Additional information relating to Cathedral may be found on the SEDAR+ website at www.sedarplus.ca. Financial information regarding Cathedral is provided in Cathedral's comparative consolidated financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders of Cathedral may contact Cathedral at 6030, 3rd Street S.E., Calgary, Alberta, T2H 1K2, (403) 265-2560 to request copies of Cathedral's consolidated financial statements and management's discussion and analysis.

7.5 General

All matters referred to herein for approval by Shareholders require a majority of the Shareholders voting, in person or by proxy, at the Meeting.

The contents and sending of this Information Circular have been approved by the Board. Unless otherwise stated, the information contained herein is given as of the 25th day of March, 2024.

SCHEDULE "A"

CHANGE OF AUDITOR REPORTING PACKAGE

(Attached)

CATHEDRAL ENERGY SERVICES LTD.

**NOTICE OF CHANGE OF AUDITOR
(National Instrument 51-102)**

TO: KPMG LLP

AND TO: PricewaterhouseCoopers LLP

AND TO: Alberta Securities Commission (as Principal Regulator)
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
L'Autorité des Marchés Financiers
Nova Scotia Securities Commission
Financial and Consumer Services Division, Prince Edward Island
Office of the Superintendent of Securities Service Newfoundland & Labrador
Financial and Consumer Services Commission, New Brunswick

Dear Sirs/Mesdames:

Cathedral Energy Services Ltd. (the "**Corporation**") gives the following notice in accordance with Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**"):

- (a) Effective August 17, 2023, KPMG LLP (the "**Former Auditor**") resigned as the auditor of the Corporation at the request of the Corporation;
- (b) The Audit Committee and the Board of Directors of the Corporation accepted the resignation of the Former Auditor;
- (c) The Corporation has appointed PricewaterhouseCoopers LLP (the "**Successor Auditor**") as the auditor of the Corporation effective as of August 17, 2023. The appointment of the Successor Auditor was approved by the Audit Committee and the Board of Directors of the Corporation;
- (d) There have been no modified opinions expressed in the Former Auditor's reports on the Corporation's financial statements relating to the "relevant period", as such term is defined in NI 51-102;
- (e) There have been no "reportable events", as such term is defined in NI 51-102.

DATED this 17th day of August, 2023.

CATHEDRAL ENERGY SERVICES LTD.

Per: Signed "Tom Connors"
Thomas Connors
President, Chief Executive Officer and Director



KPMG LLP
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Suite 3100
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Fax 403-691-8008
www.kpmg.ca

Alberta Securities Commission (as Principal Regulator)
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
L'Autorité des Marchés Financiers
Nova Scotia Securities Commission
Financial and Consumer Services Division, Prince Edward Island
Office of the Superintendent of Securities Service Newfoundland & Labrador
Financial and Consumer Services Commission, New Brunswick

17 August 2023

Dear Sir/Madam

Re: Notice of Change of Auditors of Cathedral Energy Services Ltd.

We have read the Notice of Cathedral Energy Services Ltd. dated August 17, 2023, and are in agreement with the statements contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that tapers at both ends, resembling a stylized underline or a flourish.

Chartered Professional Accountants
Calgary, Canada



August 17, 2023

To: Alberta Securities Commission (as Principal Regulator)
British Columbia Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
L'Autorité des Marchés Financiers
Nova Scotia Securities Commission
Financial and Consumer Services Division, Prince Edward Island
Office of the Superintendent of Securities Service Newfoundland & Labrador
Financial and Consumer Services Commission, New Brunswick

Re: Notice of Change of Auditor of Cathedral Energy Services Ltd. ("Cathedral")

We have read the statements made by Cathedral in the attached copy of change of auditor notice dated August 17, 2023, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements concerning PricewaterhouseCoopers LLP in the change of auditor notice dated August 17, 2023.

Yours very truly,

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

SCHEDULE "B"

CATHEDRAL ENERGY SERVICES LTD. BOARD OF DIRECTORS CHARTER DATED: MARCH 2020

ROLE AND RESPONSIBILITIES

The Board of Directors (the "**Board**", each member of the Board a "**Director**") is responsible for the overall supervision of the management of the business and affairs of Cathedral Energy Services Ltd. (the "**Corporation**"). The Board is not responsible for the day-to-day management and operation of the Corporation, these responsibilities rest with management. Each Director has a fiduciary duty to act honestly and in good faith with a view to the best interests of the Corporation, and to exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances. In fulfilling their fiduciary duties, each Director must act honestly, maintain confidences in respect to information involving the Corporation and, disclose conflicts of interest on any material matters involving the Corporation.

MAJOR DUTIES AND RESPONSIBILITIES

The Board discharges its duties and responsibilities directly or through its committees. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity. The major responsibilities of the Board are as follows:

Supervise the determination and control in broad terms the purposes, strategic direction, goals, activities and general characteristics of the Corporation. These duties range from overseeing financial objectives, scope of operations, fundamental strategies and policies, reviewing and approving the Corporation's annual strategic plan (including annual operating and capital budgets), reviewing the Corporation's operating and financial performance results relative to established strategy, budgets and objectives, establishing a dividend policy and declaring dividends and considering and approving other specific actions that are likely to have a substantial effect on the Corporation or that the Board is legally required to take.

1. Review with senior management the mission of the Corporation, its objectives and goals, and the strategies whereby it proposes to achieve them. Monitor the Corporation's progress towards its goals and plans, and assume responsibility to revise and alter the Corporation's direction where warranted.
2. Review and approve the Corporation's annual and interim consolidated financial statements, annual and interim management's discussion and analysis, and all public disclosure documents containing audited or unaudited financial information before release, including, but not limited to, any prospectus, the Corporation's annual report, the Corporation's annual information form, the Corporation's management proxy circular and any press releases.
3. Oversee corporate financial operations, ensuring proper control mechanisms are in place to require management to obtain the Board's prior approval of:
 - a. material capital asset additions, acquisitions and disposals;

- b. material borrowings;
 - c. equity issues and repurchases;
 - d. compensation paid to senior management;
 - e. any material transactions or events outside the ordinary course of business; and
 - f. any other matter specified by the Board as requiring approval.
4. Appoint a President and Chief Executive Officer (collectively, a "CEO") and other senior officers, define their respective duties, monitor and evaluate their performance, approve their compensation, provide for adequate succession, and replace the CEO or other senior officers when appropriate.
 5. Appoint a Compensation Committee and Compensation Committee Chair, oversee the activities of the Compensation Committee and receive and consider the recommendation of the Compensation Committee with respect to the compensation provided by the Corporation to senior management and Directors as Board and committee members.
 6. Appoint an Audit Committee and Audit Committee Chair, oversee the activities of the Audit Committee and receive and consider the recommendation of the Audit Committee with respect to the financial systems of the Corporation and related disclosures, reports to shareholders and other related communications.
 7. Oversee enterprise risk assessment and risk management systems including:
 - a. discussion with senior management as guidelines and policies governing the risk assessment and risk management processes;
 - b. review and discussion of significant risks and exposures with senior management;
 - c. assess the steps management has taken to monitor, control, report and mitigate such risk to the Corporation, including insurance coverage; and
 - d. with the advice and assistance of senior management, identify and evaluate the principal risk factors relating to the Corporation's business.

Identification of enterprise risk and oversight of systems to manage it, including the review of the effectiveness and integrity of internal financial control systems, has been delegated to the Audit Committee, which is to report to the Board thereon regularly.

8. Ensure that the Corporation has in place appropriate environmental, health and safety policies, having regard to legal, industry and community standards, and ensure implementation of management systems to monitor the effectiveness of those policies.
9. Monitor and oversee the Corporation's financial reporting and disclosure system, including how the Corporation interacts with analysts, investors, other key stakeholders and the public, and how the Corporation complies with its continuous and timely disclosure obligations and avoids selective disclosure, and review all such policies at least annually, and since much of the Board's

work in this regard has been delegated to the Audit Committee, receive regular reports with respect thereto from that committee.

10. Ensure that management has systems in place for communication and relations with stakeholder groups, including, but not limited to: shareholders; the investing public; government; employees; the financial community; and the communities in which the Corporation operates. More specifically:
 - a. be accountable for the manner in which public disclosure of the Corporation's affairs is made. Require all news releases and reports issued to shareholders involving financial information are reviewed by the Board prior to their public release and that all other news releases are reviewed by the Board as appropriate;
 - b. ensuring that management maintains an investor relation function to coordinate the receipt of and response to shareholder inquiries; and
 - c. ensure the Audit Committee puts in place procedures to receive and handle complaints or concerns received by the Corporation about accounting or audit matters including those submitted anonymously by an employee of the Corporation.
11. Appoint a Governance Committee and Governance Committee Chair, oversee the activities of the Governance Committee and consider the recommendations of the Governance Committee. Through this committee, establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
12. Oversee the Corporation's compliance with applicable laws and regulations and the operation of its business in accordance with appropriate ethical standards. To this end, the Corporation has adopted a Code of Business Conduct and Ethics.
13. Manage Board operations, including, without limitation:
 - a. subject to shareholder approval, review the Board's size and composition and when appropriate, identify new nominees;
 - b. ensure Directors meet in accordance with all legal requirements and that the independent Directors have an opportunity to meet separately on a regular basis;
 - c. review the recommendations of the Governance Committee in connection with the development of the Corporation's approach to governance issues and the Corporation's responses to the Toronto Stock Exchange guidelines or any rules or guidelines published by any and all other regulated markets upon which the Corporation's securities may be listed or quoted for trading, from time to time;
 - d. ensure that new Directors receive proper education and orientation about the Corporation, and that on an ongoing basis all Directors receive continuing education; and
 - e. periodically review the Board's role and responsibilities pursuant to this Charter, and evaluate the effectiveness of the Board, its members and its committees from time to time and if necessary and appropriate, create new or disband existing committees and

the case of new or old committees, establish and review their charters and elect chairs from time to time.

14. Review the adequacy and form of each Board member's compensation to ensure it realistically reflects the responsibilities and risks involved in being a Director.

ORGANIZATION

The Corporation's Articles of Incorporation provide that the Directors shall be elected annually by the shareholders of the Corporation, and that the Board shall consist of not less than three (3) or more than ten (10) individuals, with the exact number being determined from time to time by resolution of the Board. The Board should be of a size which facilitates effective decision-making. Directors will review the size of the Board from time to time to ensure this principle is being adhered to. Under the *Business Corporations Act* (Alberta), a minimum of 25% of the Directors must be residents of Canada.

A majority of the Board shall be independent Directors (as defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators), as determined by the Board. In assessing whether a Director or potential Director is independent, the Board will consider such facts as ownership of the Corporation's securities, whether the individual is an employee or officer of the Corporation or an affiliate of the Corporation and existence of any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act with the best interests of the Corporation.

The independent Directors shall appoint a Chairman of the Board from the group of independent Directors. The fundamental responsibility of the Chairman is to facilitate communication among the independent Directors.

There are currently three committees of the Board of Directors and each committee has its own charter, approved by the Board, setting out its role and mandate.

- Audit Committee – consists of a minimum of three (3) Directors, including a committee Chair, all of which are independent to the Corporation.
- Compensation Committee – consists of a minimum of three (3) Directors, including a committee Chair, all of which are independent to the Corporation.
- Governance Committee – consists of a minimum of two (2) Directors, including a committee Chair, all of which are independent to the Corporation.

EXTERNAL RESOURCES

To assist the Board in discharging its duties and responsibilities, the Board may, at the expense of the Corporation, retain persons having special expertise. In addition, individual Directors may engage outside consultants, at the expense of the Corporation, with prior approval of the Governance Committee.

NEW BOARD MEMBERS

New Board members will be provided with sufficient background materials relating to the Corporation that will provide the new Director with knowledge to understand the Corporation's business, assets, capitalization, personnel, policies and procedures, to enable them to educate themselves with regard to

the Corporation's business. In addition, the new Director will be provided with the opportunity for meetings and discussions with senior management and other Directors. Details of orientation will be tailored to the Director's individual needs.

LIMITATION ON BOARD MEMBERS' DUTIES

Nothing in this Charter is intended, or may be construed, to impose on any member of the Board a standard of care or diligence that is in any way more onerous or extensive than the standard required by law. The purposes and responsibilities outlined in this charter are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards it deems necessary from time to time to fulfill its responsibilities.

ROLE AND RESPONSIBILITIES OF CHAIRMAN OF THE BOARD

The Chairman of the Board shall have, among other, the following responsibilities:

1. In conjunction with the Corporation's CEO and Chief Financial Officer, plan the meetings of the Board, establish the agenda of these meetings and coordinate the activities of the Corporate Secretary in regards to the affairs of the Board and its committees.
2. Chair all meetings of the Board, ensure the proper and efficient conduct of Board meetings, ensure that all members are able to express their opinions on the topics being discussed and ensure that the decisions or recommendations made by the Board are clear.
3. Ensure that all strategically important issues are communicated to the Board for approval and that the Board receives the necessary information it needs to allow its members to assume their role fully and to follow up on the implementation of decisions made by the Board.
4. Attend committee meetings as deemed appropriate.
5. Ensure that all policies of the Board relating to compliance with regulations as well as ethics and conduct standards are communicated to all interested parties.
6. In collaboration with the chairs of the committees, to ensure that the Board and each of its committees respect their respective mandates (or charters).
7. Review the Chief Executive Officer's expenses and perquisites at least once a year.

ROLE AND RESPONSIBILITIES OF COMMITTEE CHAIRS

Every chair of a Board committee shall have, among those listed above, the following responsibilities:

1. Plan committee meetings, establish the agenda of these meetings and coordinate the activities of the Corporate Secretary in regards to the affairs of the committee.
2. Chair all the meetings of the committee, ensure the proper and efficient conduct hereof, ensure that all members are able to express their opinions on the topics being discussed and ensure that the decisions or recommendations made by the committee are clear.

3. Liaise and communicate to the Board and senior management in matters relating to his mandate and to the work of his committee.

QUESTIONS? NEED HELP VOTING?



CONTACT US

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