



INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JULY 18, 2013

This information is given as of June 18, 2013 unless otherwise noted.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **MONARCH ENERGY LIMITED** (the "Company") for use at the Annual General and Special Meeting (the "Meeting") of the shareholders of the Company, to be held on Friday, July 18, 2013 at the time and location and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed form of Proxy is solicited by Management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended- to be taken by Management as set forth in this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of Proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed form of Proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the Proxy and insert the name of his nominee in the blank space provided, or complete another Proxy. The completed Proxy should be deposited with the Company's Registrar and Transfer Agent, Canadian Stock Transfer Company Inc., P.O. Box 721, Agincourt, Ontario M1S 0A1 by mail or fax (416) 368-2502, not later than 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays and holidays.**

The Proxy must be dated and be signed by the shareholder or by his attorney in writing, or if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

In addition to revocation in any other manner permitted by law, a shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Proxy is required to be executed as set out in the notes to the Proxy) and either depositing it at the place and within the time aforesaid or with

the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

NON-REGISTERED HOLDERS OF COMPANY'S SHARES

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares. More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, 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 of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "NOBO's". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "OBO's".

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Information Circular and the Proxy (collectively, the "Meeting Materials") directly to the NOBO's, and indirectly through Intermediaries to the OBO's. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF's, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

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

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed form of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution will do so in accordance with such direction.

In the absence of any direction in the Proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular. The form of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or

variations to any matters, which may properly be brought before the Meeting. At the time of printing of this Information Circular, Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters, which are not now known to the Management, should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to incentive stock options.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value. On June 18, 2013, the record date ("Record Date") of the Meeting, 101,851,860 common shares were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

Only shareholders of record on the Record Date, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Company, the following parties beneficially own, directly or indirectly or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

Name	Number of Shares Held	Percentage of Shares Held
CDS & Co. (NCI) ¹	100,841,633	99.008%
Dr. George S. Langdon	36,957,001 ²	36.29%

1. The beneficial owners are not known.
2. 34,936,286 shares held by Tectonics, Inc. (a private company controlled by Dr. George S. Langdon) and 2,020,715 shares held by Dr. George S. Langdon directly.

The above information was provided by management of the Company and the Company's registrar and transfer agent as of June 18, 2013.

VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's Articles, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders. A simple majority of the votes of those shareholders who are present and vote either in person or by proxy at the meeting is required in order to pass an ordinary resolution. A majority of two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the meeting is required to pass a special resolution. There is one special resolution proposed with respect to the consolidation of the Company's issued and outstanding common shares.

STATEMENT OF EXECUTIVE COMPENSATION

In this section “Named Executive Officers” mean (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) each of the Company’s three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total salary and bonus does not exceed \$150,000), and (d) any additional individuals whose total salary and bonus exceeded \$150,000 during the year ended September 30, 2012. During the year ended September 30, 2012, the Company had three Named Executive Officers (“NEOs”), namely George S. Langdon, Chief Executive Officer (“CEO”), President and a director; D. Gerald Otterman, the Chief Financial Officer (“CFO”), Secretary and a director of the Company from October 1, 2011 to March 30, 2012; and Alex Falconer, CFO from April 1, 2012.

All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

Compensation Discussion and Analysis

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. Compensation for this fiscal year and prior fiscal years have historically been based upon a negotiated fee, with stock options and bonuses potentially being issued and paid as an incentive for performance. The Company does not have a formal compensation program with set benchmarks. The Company does, however, have an informal program which seeks to provide both current and long term rewards to its NEOs and other senior executives that are consistent with their individual performance and contribution to the Company’s objectives.

Compensation Review Process

The Company’s Board periodically reviews and approves the total compensation of the Company’s senior executives. In establishing total compensation, the Board considers the Company’s financial condition, the Company’s performance and relative shareholder return, the value of similar incentive awards at comparable companies and the awards given to the executive officers in past years.

In setting the compensation of the CEO, the Board takes into consideration compensation paid to others in similar positions in the Company’s industry. The compensation of NEOs is not tied to corporate goals or objectives such as production targets.

The Board reviews the results of and procedures for the evaluation of the performance of other executive officers by the CEO. The Board monitors the executive compensation program with the view to achieving superior executive management with a fair cost to the Company. As part of its review process, the Board reviews peer groups and other industry compensation data reported through surveys and other sources. The components of total compensation for the Company’s CEO are the same as those which apply to other senior executive officers of other companies of the Company’s peer group.

Summary of Compensation

The Company’s state of development, the main elements of compensation consist of management, consulting and directors’ fees, stock options and when merited, bonuses. The Company does not maintain a pension plan for its executive officers, nor does it provide any other form of deferred compensation program.

The following table sets forth all annual and long term compensation for services paid to or earned by the NEOs for the past two fiscal years:

Name and Principal Position	Year Ended Sept. 30	Salary (\$)	Share based awards	Option-based awards ¹	Non-equity incentive plan compensation (\$)		Pension value	All other compensation ²	Total compensation
					Annual incentive plans	Long-term incentive plans			
Dr. George S. Langdon <i>CEO, President</i>	2012	Nil	Nil	Nil	Nil	Nil	Nil	\$42,000	\$42,000
	2011	Nil	Nil	\$34,434	Nil	Nil	Nil	\$42,303	\$76,737
D. Gerald Otterman <i>CFO³, Secretary</i>	2012	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000	\$30,000
	2011	Nil	Nil	\$68,868	Nil	Nil	Nil	\$45,000	\$113,868
Alex Falconer <i>CFO</i>	2012	Nil	Nil	Nil	Nil	Nil	Nil	\$22,500 ⁴	\$22,500
	2011	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

1. Dollar value of the options granted, calculated in accordance with GAAP / IFRS.
2. Includes consulting and management fees paid.
3. Gerald Otterman resigned as CFO on March 30, 2012, and Alex Falconer assumed the position of CFO on April 1, 2012.
4. Paid to Falconer & Associates Inc., a private company controlled by Alex Falconer.

Long Term Incentive Plan (LTIP) Awards

The Company does not have any long term incentive plans and, save as disclosed above, no remuneration payments were made, directly or indirectly, by the Company to its NEOs during the fiscal year ended September 30, 2012.

An LTIP means “any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year whether performance is measured by reference to financial performance of the Company or an affiliate or the price of the Company’s shares but does not include option or stock option appreciation rights plans or plans for compensation through restricted shares or units”.

Incentive Plan Awards

The Company does not have any share-based awards.

The Company currently has in place a 10% “rolling” stock option plan (the “Plan”) for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such person with the opportunity to acquire an equity interest in the Company through rights granted under the Plan. At September 30, 2012, there were 5,300,000 options granted and outstanding under the Plan; of which the NEOs held an aggregate 2,000,000 options. No options were granted during the fiscal year ended September 30, 2012.

Any grant of options under the Plan is within the discretion of the board of directors, subject to the condition that the maximum number of shares which may be issuable under the Plan shall not exceed 10% of the Company’s issued and outstanding shares. In addition, the number of option shares which may be issuable under the Plan within a one year period: (i) to any one individual shall not exceed 5% of the outstanding issued shares; and (ii) to a consultant or an employee performing investor relations activities, shall not exceed 2% of the outstanding issued shares. See “Incentive Plan Awards” below for details of the option-based awards outstanding as at September 30, 2012 for each of the NEOs.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding as at September 30, 2012:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price (CDN \$)	Option expiration date	Value of unexercised in-the-money options ¹	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
Dr. George S. Langdon CEO	1,000,000	\$0.10	Jan. 31/16	Nil	N/A	N/A
D. Gerald Otterman CFO	1,000,000	\$0.10	Jan. 31/16	Nil	N/A	N/A
Alex Falconer CFO	Nil	Nil	N/A	Nil	N/A	N/A

1. The value of unexercised “in-the-money options” is based on the difference between the market value of the Company’s common shares on September 30, 2012 and the exercise price of the options. The closing price of the Company’s common shares on the TSXV on September 28, 2012 (the last day the Company’s shares traded prior to September 30, 2012) was CDN\$0.005.

Incentive Plan Awards – Value Vested or Earned During the Year

No options were granted, vested or earned during the fiscal year ended September 30, 2012.

Pension Plan Benefits

The Company does not have any pension or retirement plan.

Termination and Change of Control Benefits

Except as otherwise disclosed herein, as at September 30, 2012 there were no compensatory plans, contracts or arrangements in place with the NEOs resulting from the resignation, retirement or any other termination of employment of the NEOs with the Company or from a change in control of the Company or a change in the NEOs’ responsibilities following a change in control, where in respect of the NEOs the value of such compensation exceeds \$50,000.

COMPENSATION OF DIRECTORS

The Company grants incentive stock options from time to time in accordance with the terms of the Company’s stock option plan and the policies of the TSXV. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders. The directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors.

Compensation for the NEOs has been disclosed in the “Summary Compensation Table” above. The following table discloses the particulars of the compensation provided to the directors of the Company (not including the NEOs) for the financial year ended September 30, 2012:

Director Name	Fees Earned	Share-Based Awards ¹	Option-Based Awards ²	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation)	Total
A. Michael Turko	\$Nil	Nil	\$Nil	Nil	Nil	\$42,000 ³	\$42,000
Gerard M. Edwards	\$Nil	Nil	\$Nil	Nil	Nil	\$Nil	\$Nil

1. The Company does not have any share-based awards.
2. Dollar value of the options granted, calculated in accordance with GAAP / IFRS.
3. Consulting fees paid to Mr. Turko.

Outstanding Share-Based Awards and Option-Based Awards

The following table discloses the particulars of all awards for each NEO outstanding as at September 30, 2012:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price (CDN \$)	Option expiration date	Value of unexercised in-the-money options ¹	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
A. Michael Turko	1,500,000	\$0.10	Jan. 31/16	Nil	N/A	N/A
Gerard M. Edwards	2,000,000	\$0.10	Jan. 31/16	Nil	N/A	N/A

1. The value of unexercised “in-the-money options” is based on the difference between the market value of the Company’s common shares on September 30, 2012 and the exercise price of the options. The closing price of the Company’s common shares on the TSX.V on September 28, 2012 (the last day the Company’s shares traded prior to September 30, 2012) was CDN\$0.005.

Incentive Plan Awards – Value Vested or Earned During the Year

No options were granted, vested or earned during the fiscal year ended September 30, 2012.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As of the financial year ended September 30, 2012 the Company’s Stock Option Plan was the only equity compensation plan under which securities were authorized for issuance. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders. See “Incentive Plan Awards” above. The following table sets forth information with respect to the Company’s Stock Option Plan as at the year ended September 30, 2012:

Plan category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	5,300,000	\$0.10	4,885,186
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	5,300,000		4,885,186

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

During the year ended September 30, 2012, an amount of \$128,000 was loaned to the CEO and director of the Company. Repayments of \$46,450 were made during the year, and \$52,803 was offset by expense reimbursements resulting in an amount receivable at year end of \$28,747.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, other than as set out below, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries other than as set out herein. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

During the year ended September 30, 2012, \$128,000 was loaned to Dr. George S. Langdon (CEO, director). Repayments of \$46,450 were made during the year and \$52,803 was offset by expense reimbursements resulting in an amount receivable at September 30, 2012 of \$28,747. As at the date of this Circular, the loan had been repaid in full.

MANAGEMENT CONTRACTS

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the *Business Corporations Act* of British Columbia, the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110"), have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

Audit Committee's Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each yearly audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Composition of the Audit Committee

The following are the current members of the Company's Audit Committee:

D. Gerald Otterman	Not Independent ¹	Financially literate ¹
A. Michael Turko (Chair)	Independent ¹	Financially literate ¹
Gerard M. Edwards	Independent ¹	Financially literate ¹

1. As defined by NI 52-110.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

D. Gerald Otterman – Mr. Otterman was CFO of Gulf Shores Resources Ltd. (TSXV) from February 2005 until July 26, 2010 (when he resigned to become that company's interim President (July 26, 2010 – January 17, 2011), and CFO from January 17, 2011 until January 15, 2013; and Corporate Secretary from February 2, 2009 until January 15, 2013. Previously to that, he was an investment advisor with a major brokerage firm for 17 years. During that time he was involved in the restructuring and raising of capital for public companies, requiring the ability to analyze and understand accounting documents and financial instruments.

A. Michael Turko, BSc. Geol (Chair) - Mr. Turko holds a BSc. Geol degree from the University of British Columbia (1981). He became CEO and President of Gulf Shores Resources Ltd. (TSXV) in 1992. He controls several private oil and gas companies and has been responsible for approving financial statements.

Gerard M. Edwards, MBA - Mr. Edwards co-founded Canadian Imperial Venture Corp. (TSXV) in 1995; of which he is the CEO and President. Mr. Edwards has served as a director of a number of public resource-based companies over the past decade and has been responsible for approving financial statements. He is also a principal and director of a number of private companies. Mr. Edwards also serves on the Audit Committee of Canadian Imperial Venture Corp.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees¹	Tax Fees²	All Other Fees³
Sept. 30, 2012	\$23,000	nil	\$2,760	nil
Sept. 30, 2011	\$27,000	nil	\$3,000	nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, 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 and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of four directors, Messrs. Dr. George S. Langdon, D. Gerald Otterman, A. Michael Turko and Gerard M. Edwards. All of the proposed nominees are current directors of the Company.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from 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 a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed nominees of the Company, Gerard M. Edwards is considered by the Board to be "independent" within the meaning of NI 58-101 and each of Michael Turko, Dr. George S. Langdon (CEO) and D. Gerald Otterman (CFO) are considered to be "non-independent".

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Dr. George S. Langdon	Gulf Shores Resources Ltd. (TSXV) Blue Vista Technologies Inc. (TSXV)
A. Michael Turko	Gulf Shores Resources Ltd. (TSXV)
Gerard M. Edwards	Canadian Imperial Venture Corp. (TSXV)

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

Some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities. As such, the Board must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

Board Committees

The Company has only established one committee, its *Audit Committee* comprising of D. Gerald Otterman, A. Michael Turko (Chair) and Gerard M. Edwards. All decisions are made by full board of director meetings or consent resolutions.

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board or its Audit Committee or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Company feels its corporate disclosure practices are appropriate and effective for the Company for the stage of its operations. The Company's method of corporate governance allows for the Company to operate efficiently with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Election of Directors

Although Management is only nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by Proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed	Principal Occupation	Number of Shares ¹
DR. GEORGE S. LANGDON Toronto, Ontario CEO, President & Director	CEO: Feb 9/09 President: Feb 9/09 Director: Apr. 3/07	Consulting Petroleum Geologist and Exploration Geologist since 1997; Director of Gulf Shores Resources Ltd. (TSXV) and Blue Vista Technologies Inc. (TSXV); President of Shoal Point Energy Limited (CNSX); President and director of Tectonics, Inc. (private company).	36,957,001 ³
D. GERALD OTTERMAN ² Vancouver, B.C. <i>Secretary & Director</i>	Secretary: Mar 16/11 Director: Mar 25/09	CFO of Gulf Shores Resources Ltd. (TSXV) from 2005 to 2013. Private Investor.	756,000
A. MICHAEL TURKO ² Kelowna, B.C. <i>Director</i>	June 4, 2006	Petroleum Geologist; CEO and President of Gulf Shores Resources Ltd. (TSXV).	2,074,286

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed	Principal Occupation	Number of Shares ¹
GERARD M. EDWARDS² St. John's, Newfoundland <i>Director</i>	April 19, 2010	President and CEO of Canadian Imperial Venture Corp. (TSXV).	nil

1. Information as to voting shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
2. Member of Audit Committee.
3. 34,936,286 shares held by Tectonics, Inc. (a private company controlled by Dr. George S. Langdon) and 2,020,715 shares held by Dr. George S. Langdon directly.

No proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was the subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, no proposed director has been subject to 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulating authority that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The directors and senior officers of the Company as a group beneficially own, directly or indirectly, an aggregate of approximately 39,787,287 common shares, which collectively represent approximately 39.06% of the total votes attached to the issued and outstanding shares of the Company.

All of the proposed nominees are resident in Canada.

B. Appointment of Auditor

The persons named in the enclosed form of Proxy will vote for the reappointment of Davidson & Company LLP, Chartered Accountants, of Suite 1200, 609 Granville Street, Vancouver, B.C. V7Y 1G6, as auditor of the Company for the ensuing year, until the close of the next annual general meeting of the members, at a remuneration to be

fixed by the directors. Davidson & Company LLP was first appointed auditor of the Company on August 14, 2008.

C. Ratification of Stock Option Plan

The Company presently has in place a “rolling” stock option plan (the “Plan”) whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time. The TSXV requires listed companies who have “rolling” stock option plans in place to receive shareholder approval to such plan on a yearly basis at the Company’s annual general meeting. As such, the directors of the Company wish to have the Shareholders ratify and approve the Plan.

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
2. The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company’s common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSX.V to a minimum of \$0.10 per share.
3. No vesting requirements will apply to options granted thereunder, save for options granted to an employee performing investor relations activities for the Company.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued shares may be granted to any one individual in any 12 month period; and (ii) no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.
6. If the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan.
7. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company’s issued shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company’s issued shares.
8. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company’s common shares.

The Plan is subject to receipt of annual TSXV acceptance to its filing. Shareholders will be asked to consider, and if thought fit to approve a resolution ratifying and approving the Company’s existing Plan.

Reference should be made to the full text of the Plan which will be made available at the offices of Owen Bird Law Corporation, 29th Floor, 595 Burrard Street, Vancouver, B.C. V7X 1J5, until the business day immediately preceding the date of the Meeting.

D. ALTERATION OF ISSUED SHARE CAPITAL

The Board of Directors and management of the Company believe that it is in the best interests of the Company to complete a consolidation (the “Consolidation”) of its issued and outstanding shares on the basis of one new share for up to 10 shares currently issued and outstanding. There are presently 101,851,860 shares issued and outstanding; trading at \$0.005 per share on the TSXV.

To move forward, the Company will need to raise additional equity capital, but it cannot do so at existing prices or with its existing share capital structure. Accordingly the Directors recommend that shareholders vote for the special resolution (the “Consolidation Resolution”) authorizing the Consolidation.

Approval of the Consolidation Resolution does not mean the Directors will implement up to a 10:1 consolidation, but it allows the Directors the flexibility to negotiate financings on the basis of a consolidation of up to that level. Further, the Directors may determine not to implement the Consolidation Resolution at all if it deems it appropriate.

No fractional shares will be issued upon the Consolidation, and if as a result of the Consolidation a shareholder becomes entitled to a fractional share, such fraction will be rounded to the nearest whole number. Completion of the Consolidation is subject to the approval of the TSXV. If the Consolidation Resolution is approved and implemented, the Company will send letters of transmittal to Shareholders which will provide instructions to Shareholders on how to obtain new certificates representing the number of shares to which such Shareholders are entitled as a result of the Consolidation.

The text of the Consolidation Resolution is as follows:

“**BE IT RESOLVED** as a special resolution that:

1. The Board of Directors is hereby authorized and approved, on behalf of the Company, to consolidate the issued and outstanding common shares in the capital of the Company on the basis of one new post-consolidated common share for up to ten currently outstanding common shares; provided that if such consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued and such fraction will be rounded to the nearest whole number.
2. Notwithstanding that the above special resolution has been approved by the Shareholders of the Company, the directors of the Company are hereby authorized and empowered, in their sole discretion and without the requirement to obtain any further approval from the Shareholders of the Company, to implement a consolidation of the Company’s common shares on such actual consolidation ratio as they may determine, or to not implement such consolidation at all.
3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of and in the name of the Company to do all such things and to execute, whether under the corporate seal of the Company or otherwise, and deliver all such documents and instruments as may be considered necessary or desirable to give effect to the foregoing.”

In order to be passed, the Consolidation Resolution must be approved by two-thirds of the votes cast in person or by proxy on the matter at the Meeting.

The Directors of the Company recommend that the Shareholders vote in favour of the Consolidation Resolution. Unless such authority is withheld, the persons named in the accompanying Instrument of Proxy intend to vote “For” the Consolidation Resolution.

OTHER MATTERS

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 shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on the SEDAR website at www.sedar.com. The Company's consolidated annual audited financial statements and management discussion and analysis ("MD&A") for the fiscal years ended September 30, 2012 and 2011 are available for review under the Company's profile on SEDAR. Shareholders that wish to receive a copy of the Company's financial statements and MD&A may do so by signing the enclosed financial statement request form and returning it to Monarch Energy Limited, Suite 501, 65 Queen Street West, Toronto, Ontario M5H 2M5.

APPROVAL

The contents of this Information Circular and the sending thereof to the shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, the 18th day of June, 2013.

BY ORDER OF THE BOARD

"Dr. George S. Langdon"

CEO, President