VINERGY RESOURCES LTD.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR

A SPECIAL MEETING OF SHAREHOLDERS

IN RESPECT OF AN ARRANGEMENT

BETWEEN

VINERGY RESOURCES LTD.

AND

ARQ GRAPHITE INC.

AND

0990756 B.C. LTD.

AND

JONPOL RARE EARTHS INC.

AND

LEUCADIA FINANCE PARTNERS INC.

AND

WAYZATA FILM FINANCE INC.

AND

WEDONA URANIUM INC.

January 30, 2014

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VINERGY RESOURCES LTD.
6012 - 85 Avenue
Edmonton, Alberta
T6B 0J5

NOTICE OF A SPECIAL MEETING OF SHAREHOLDERS

To: The Shareholders of Vinergy Resources Ltd.

TAKE NOTICE that pursuant to an order of the Supreme Court of British Columbia dated February 4, 2014, a special meeting (the "**Meeting**") of shareholders (the "**Vinergy Shareholders**") of Vinergy Resources Ltd. (the "**Company**") will be held in the offices of Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, on February 28, 2014, at 11:00 a.m. (Vancouver time), for the following purposes:

1. to consider and, if thought fit, pass, with or without variation, a special resolution approving an arrangement (the "**Plan of Arrangement**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) (the "**Act**") which involves, among other things, the distribution to the Vinergy Shareholders shares of Arq Graphite Inc. ("**Arq**"), 0990756 B.C. Ltd. ("**BC0990756**"), Jonpol Rare Earths Inc. ("**Jonpol**"), Leucadia Finance Partners Inc. ("**Leucadia**"), Wayzata Film Finance Inc. ("**Wayzata**"), and Wedona Uranium Inc. ("**Wedona**"), currently wholly–owned subsidiaries of the Company, all as more fully set forth in the accompanying management information circular (the "**Circular**") of the Company;
2. to consider and, if thought fit, pass, with or without variation, an ordinary resolution to approve, ratify and affirm stock option plans for the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona; and
3. to transact such other business as may properly come before the Meeting or at any adjournment(s) or postponement(s) thereof.

AND TAKE NOTICE that Vinergy Shareholders who validly dissent from the Plan of Arrangement will be entitled to be paid the fair value of their Vinergy shares subject to strict compliance with the provisions of the interim order (as set forth herein), the Plan of Arrangement and sections 237 to 247 of the Act. The dissent rights are described in Schedule "C" of the information circular. Failure to comply strictly with the requirements set forth in the Plan of Arrangement and sections 237 to 247 of the Act may result in the loss of any right of dissent.

The information circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this notice. Also accompanying this notice and the information circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only Vinergy Shareholders of record at the close of business on January 10, 2014, will be entitled to receive notice of and vote at the Meeting.

Registered Vinergy Shareholders unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy and deliver it in accordance with the instructions set out in the proxy and in the information circular. If you are a non–registered Vinergy Shareholder and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or the other intermediary. Failure to do so may result in your shares of the Company not being voted at the Meeting.

Dated at Vancouver, British Columbia, this 30th day of January, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Randy Clifford"
Randy Clifford
Chief Executive Officer

No. ____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: ARRANGEMENT AMONG VINERGY RESOURCES LTD. (THE "PETITIONER"), ARQ GRAPHITE INC., 0990756 B.C. LTD., JONPOL RARE EARTHS INC., LEUCADIA FINANCE PARTNERS INC., WAYZATA FILM FINANCE INC., WEDONA URANIUM INC., AND THE SHAREHOLDERS OF VINERGY RESOURCES LTD.

NOTICE OF HEARING

To: **ARQ GRAPHITE INC.**

0990756 B.C. LTD.

JONPOL RARE EARTHS INC.

LEUCADIA FINANCE PARTNERS INC.

WAYZATA FILM FINANCE INC.

WEDONA URANIUM INC.

SHAREHOLDERS OF VINERGY RESOURCES LTD.

TAKE NOTICE that a Petition has been filed by Vinergy Resources Ltd. (the **"Petitioner"**) in the Supreme Court of British Columbia for approval of the plan of arrangement (the **"Arrangement"**), pursuant to the *Business Corporations Act,* S.B.C 2002, Chapter 57, as amended.

AND FURTHER TAKE NOTICE that by an Interim Order of the Supreme Court of British Columbia, pronounced on February 4, 2014, the Court has given directions as to the calling of a special meeting of the holders of commons shares in the capital of the Petitioner (the **"Shareholders"**) for the purpose, *inter alia,* of considering and voting upon the Arrangement and approving the Arrangement.

AND TAKE FURTHER NOTICE that the petition of VINERGY RESOURCES LTD. dated January 30, 2014 for a Final Order approving the Arrangement and for a determination that the terms and conditions of the Arrangement are fair to the Shareholders shall be heard before the presiding judge in Chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia on March 5, 2014 at 9:45 a.m. or soon thereafter as counsel may be heard.

A copy of the said petition and other documents in the proceedings will be furnished to any shareholder upon request in writing to the Petitioner at the address of the Petitioner at 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5.

1. Date of hearing

[ ] The parties have agreed as to the date of the hearing of the petition.

[ ] The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the petition respondents in accordance with Rule 16-1 (8) (b) of the Supreme Court Civil Rules.

[ ] The petition is unopposed, by consent or without notice.

The date of the hearing has been determined pursuant to the Interim Order.

2. Duration of hearing

[ ] It has been agreed by the parties that the hearing will take ....[time estimate]........ .

[ ] The parties have been unable to agree as to how long the hearing will take and

(a) the time estimate of the petitioner(s) is 20 minutes, and

(b) the time estimate of the petition respondent(s) is .... minutes.

[ ] the petition respondent(s) has(ve) not given a time estimate.

It is not known whether the matter will be contested and it is estimated by the Petitioner that the hearing will take 20 minutes.

3. Jurisdiction

[ ] This matter is within the jurisdiction of a master.

[X] This matter is not within the jurisdiction of a master.

Date: January 30, 2014

Signature of
[ ] petitioner [X] lawyer for petitioner(s)
MOUANE SENGSAVANG

No. ___

Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: ARRANGEMENT AMONG VINERGY RESOURCES LTD. (THE "PETITIONER"), ARQ GRAPHITE INC., 0990756 B.C. LTD., JONPOL RARE EARTHS INC., LEUCADIA FINANCE PARTNERS INC., WAYZATA FILM FINANCE INC., WEDONA URANIUM INC., AND THE SHAREHOLDERS OF VINERGY RESOURCES LTD.

NOTICE OF HEARING

Buttonwood Law Corporation
Barristers & Solicitors
1984 Yonge Street
Toronto, ON M4S 1Z7
Tel. 604-908-9209

VINERGY RESOURCES LTD.
6012 - 85 Avenue
Edmonton, Alberta
T6B 0J5

This Circular is furnished in connection with the solicitation of proxies by management of Vinergy Resources Ltd. for use at a special meeting of shareholders of the Company to be held on February 28, 2014.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

In considering whether to vote for the approval of the Arrangement, Vinergy Shareholders should be aware that there are various risks, including those described in the Section entitled "Risk Factors" in this Circular. Vinergy Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

INFORMATION CONCERNING FORWARD–LOOKING STATEMENTS

This Circular contains forward-looking information, which is disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Examples of such forward-looking information in this Circular includes disclosure relating to the following:

- the terms of the Arrangement;
- the shareholder approval requirements;
- the Exchange approval requirements;
- the names of the subsidiaries going forward;
- the inter-corporate relationships of the subsidiaries going forward;
- the securities of the subsidiaries going forward;
- the business and operations of the subsidiaries going forward;
- the pro forma consolidated capitalization of the subsidiaries going forward;
- the funds available to the Company and the subsidiaries and the principal purposes of those funds;
- the principal securityholders of the subsidiaries going forward;
- the directors and officers of the subsidiaries going forward;
- the proposed executive compensation structure of the subsidiaries going forward;
- the escrowed securities of the subsidiaries going forward;
- the auditor of the subsidiaries going forward; and
- the transfer agent and registrar of the subsidiaries going forward.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking information contained in this Circular. The forward-looking information in this Circular is based on a number of assumptions which may prove to be incorrect, including, but not limited to the following:

- general economic conditions;
- the ability of Company to complete the Arrangement;
- the ability of the parties to complete the Arrangement, including obtaining shareholder approval and court approval;
- the ability of the parties to satisfy the requirements of the Exchange;
- the ability of the Company and the subsidiaries to successfully continue operations after the Arrangement; and manage risks associated with their businesses and operations going forward; and
- the ability of the Company and the subsidiaries to obtain necessary financing going forward.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and

Wedona to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Some of these risks, include, but are not limited to the following:

- The parties may not be able to complete the Arrangement on the terms specified in this Circular or at all;
- the parties may not be able to satisfy the requirements of the Exchange;
- the parties will need additional financing going forward, and may not be able to secure such financing on terms acceptable to them;
- the success of the parties depends on the successful implementation of their business plans; and
- the parties are subject to various political, economic and regulatory changes in their respective industries that could force them to modify their business plans.

The factors identified above are not intended to represent a complete list of the factors that could affect the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. Additional risk factors are noted under the heading "Risk Factors" on page 14. The factors identified above are not intended to represent a complete list of the factors that could affect the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Circular. These risk factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Circular. All subsequent forward-looking information attributable to the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Circular or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at January 30, 2014, unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the Arrangement and other matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Vinergy Shareholders are urged to consult their own professional advisers in connection therewith.

Descriptions in the body of this Circular of the terms of the Arrangement Agreement and the Plan of Arrangement are merely summaries of the terms of those documents. Vinergy Shareholders should refer to the full text of the Arrangement Agreement and the Plan of Arrangement for complete details of those documents. A copy of the Arrangement Agreement has been filed on SEDAR (www.sedar.com) and the Plan of Arrangement is attached as Schedule "A" to the Arrangement Agreement.

GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

"**Act**" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

"**Arq**" means Arq Graphite Inc., a private company incorporated under the Act;

"**Arq Commitment**" means the covenant of Arq to issue Arq Shares to the holders of Vinergy Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and Arq Shares upon such exercise;

"**Arq Option Plan Resolution**" means an ordinary resolution to be considered by the Vinergy Shareholders to approve the Arq Option Plan, the full text of which is set out in Schedule "A" to this Circular;

"**Arq Shareholder**" means a holder of Arq Shares;

"**Arq Shares**" means the common shares without par value in the authorized share structure of Arq, as constituted on the date of the Arrangement Agreement;

"**Arq Stock Option Plan**" means the proposed common share purchase option plan of Arq, which is subject to Vinergy Shareholder approval;

"**Arrangement**" means the arrangement under the Arrangement Provisions pursuant to which the Company proposes to reorganize its business and assets, and which is set out in detail in the Plan of Arrangement;

"**Arrangement Agreement**" means the arrangement agreement dated effective January 14, 2014 between the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, a copy of which is available on SEDAR under the Company's profile at www.sedar.com, and any amendment(s) or variation(s) thereto;

"**Arrangement Provisions**" means Part 9, Division 5 of the Act;

"**Arrangement Resolution**" means the special resolution to be considered by the Vinergy Shareholders to approve the Arrangement, the full text of which is set out in Schedule "A" to this Circular;

"**Assets**" means the assets of the Company to be transferred to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona pursuant to the Arrangement, as set out in Schedule "B" of the Arrangement Agreement;

"**BC0990756**" means 0990756 B.C. Ltd., a private company incorporated under the Act;

"**BC0990756 Commitment**" means the covenant of BC0990756 to issue BC0990756 Shares to the holders of Vinergy Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and BC0990756 Shares upon such exercise;

"**BC0990756 Option Plan Resolution**" means an ordinary resolution to be considered by the Vinergy Shareholders to approve the BC0990756 Option Plan, the full text of which is set out in Schedule "A" to this Circular;

"**BC0990756 Shareholder**" means a holder of BC0990756 Shares;

"**BC0990756 Shares**" means the common shares without par value in the authorized share structure of BC0990756, as constituted on the date of the Arrangement Agreement;

"**BC0990756 Stock Option Plan**" means the proposed common share purchase option plan of BC0990756, which is subject to Vinergy Shareholder approval;

"**Beneficial Shareholder**" means a Vinergy Shareholder who is not a Registered Shareholder;

"**Board**" means the board of directors of the Company;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;

"**Circular**" means this management information circular;

"**CSE**" **or** "**Exchange**" means the Canadian Securities Exchange;

"**Company**" or "Vinergy" means Vinergy Resources Ltd.;

"**Computershare**" means Computershare Trust Company of Canada;

"**Conversion Factor**" means the number arrived at by dividing the number of issued Vinergy Shares as of the close of business on the Share Distribution Record Date by 26,333,330;

"**Court**" means the Supreme Court of British Columbia;

"**Dissenting Shareholder**" means a Vinergy Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Vinergy Shares in accordance with the Interim Order and the Plan of Arrangement;

"**Dissenting Shares**" means the Vinergy Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

"**Effective Date**" means the date upon which the Arrangement becomes effective under the Act;

"Effective Time" means 10:00 a.m. (Vancouver time) on the Effective Date;

"**Exchange Factor**" means the number arrived at by dividing 26,333,330 by the number of issued Vinergy Shares as of the close of business on the Share Distribution Record Date;

"**Final Order**" means the final order of the Court approving the Arrangement;

"**Interim Order**" means the interim order of the Court pursuant to the Act in respect of the Arrangement dated February 4, 2014, a copy of which is attached to this Circular as Schedule "B";

"**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

"**Jonpol**" means Jonpol Rare Earths Inc., a private company incorporated under the Act;

"**Jonpol Commitment**" means the covenant of Jonpol to issue Jonpol Shares to the holders of Vinergy Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and Jonpol Shares upon such exercise;

"**Jonpol Option Plan Resolution**" means an ordinary resolution to be considered by the Vinergy Shareholders to approve the Jonpol Option Plan, the full text of which is set out in Schedule "A" to this Circular;

"**Jonpol Shareholder**" means a holder of Jonpol Shares;

"**Jonpol Shares**" means the common shares without par value in the authorized share structure of Jonpol, as constituted on the date of the Arrangement Agreement;

"**Jonpol Stock Option Plan**" means the proposed common share purchase option plan of Jonpol, which is subject to Vinergy Shareholder approval;

"**Leucadia**" means Leucadia Finance Partners., a private company incorporated under the Act;

"**Leucadia Commitment**" means the covenant of Leucadia to issue Leucadia Shares to the holders of Vinergy Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and Leucadia Shares upon such exercise;

"**Leucadia Option Plan Resolution**" means an ordinary resolution to be considered by the Vinergy Shareholders to approve the Leucadia Option Plan, the full text of which is set out in Schedule "A" to this Circular;

"**Leucadia Shareholder**" means a holder of Leucadia Shares;

"**Leucadia Shares**" means the common shares without par value in the authorized share structure of Leucadia, as constituted on the date of the Arrangement Agreement;

"**Leucadia Stock Option Plan**" means the proposed common share purchase option plan of Leucadia, which is subject to Vinergy Shareholder approval;

"**Meeting**" or "**Vinergy Meeting**" means the special meeting of the Vinergy Shareholders to be held on February 28, 2014, and any adjournment(s) or postponement(s) thereof;

"**New Shares**" means the new class of common shares without par value which the Company will create pursuant to §3.1 of the Plan of Arrangement and which, immediately after the Effective Date, will be identical in every relevant respect to the Vinergy Shares;

"**Notice of Meeting**" means the notice of special meeting of the Vinergy Shareholders in respect of the Meeting;

"**Paid-Up Capital**" means "paid-up capital" as that term is defined in the *Income Tax Act* of Canada;

"**Plan of Arrangement**" means the plan of arrangement attached as Schedule "A" to the Arrangement Agreement, which Arrangement Agreement is available on SEDAR under the Company's profile at www.sedar.com, and any amendment(s) or variation(s) thereto;

"**Proxy**" means the form of proxy accompanying this Circular;

"**Registered Shareholder**" means a registered holder of Vinergy Shares as recorded in the shareholder register of the Company maintained by Computershare;

"**Registrar**" means the Registrar of Companies for the Province of British Columbia duly appointed under the Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Share Distribution Record Date**" means the close of business on the day which is ten Business Days after the date of the Vinergy Meeting or such other date as agreed to by Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, which date will be used to establish the Vinergy Shareholders who will be entitled to receive Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares pursuant to the Plan of Arrangement;

"**Tax Act**" means the *Income Tax Act* (Canada), as may be amended, or replaced, from time to time;

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as may be amended, or replaced, from time to time;

"**U.S. Securities Act**" means the United States *Securities Act of 1933*, as may be amended, or replaced, from time to time;

"**Vinergy Options**" means the outstanding stock options, whether or not vested, to acquire Vinergy Shares;

"**Vinergy Shares**" means the common shares without par value in the authorized share structure of the Company, as constituted on the date of the Arrangement Agreement;

"**Vinergy Share Commitments**" means an obligation of the Company to issue New Shares and to deliver Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to the holders of Vinergy Options and Vinergy Warrants which are outstanding on the Effective Date, upon the exercise of such stock options and warrants;

“**Vinergy Warrants**” means the common share purchase warrants of Vinergy outstanding on the Effective Date.

“**Wayzata**” means Wayzata Film Finance Inc., a private company incorporated under the Act;

“**Wayzata Commitment**” means the covenant of Wayzata to issue Wayzata Shares to the holders of Vinergy Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and Wayzata Shares upon such exercise;

“**Wayzata Option Plan Resolution**” means an ordinary resolution to be considered by the Vinergy Shareholders to approve the Wayzata Option Plan, the full text of which is set out in Schedule “A” to this Circular;

“**Wayzata Shareholder**” means a holder of Wayzata Shares;

“**Wayzata Shares**” means the common shares without par value in the authorized share structure of Wayzata, as constituted on the date of the Arrangement Agreement;

“**Wayzata Stock Option Plan**” means the proposed common share purchase option plan of Wayzata, which is subject to Vinergy Shareholder approval;

“**Wedona**” means Wedona Uranium Inc., a private company incorporated under the Act;

“**Wedona Commitment**” means the covenant of Wedona to issue Wedona Shares to the holders of Vinergy Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization provisions thereof to receive New Shares and Wedona Shares upon such exercise;

“**Wedona Option Plan Resolution**” means an ordinary resolution to be considered by the Vinergy Shareholders to approve the Wedona Option Plan, the full text of which is set out in Schedule “A” to this Circular;

“**Wedona Shareholder**” means a holder of Wedona Shares;

“**Wedona Shares**” means the common shares without par value in the authorized share structure of Wedona, as constituted on the date of the Arrangement Agreement; and

“**Wedona Stock Option Plan**” means the proposed common share purchase option plan of Wedona, which is subject to Vinergy Shareholder approval.

SUMMARY

The following is a summary of the information contained elsewhere in this Circular concerning a proposed reorganization of the Company by way of the Arrangement. Certain capitalized words and terms used in this summary are defined in the Glossary of Terms above. This summary is qualified in its entirety by the more detailed information and financial statements appearing or referred to elsewhere in this Circular and the schedules attached hereto.

The Meeting

The Meeting will be held at the offices of Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, B.C. on February 28, 2014 at 11:00 a.m. (Vancouver time). At the Meeting, the Vinergy Shareholders will be asked, to consider and, if thought fit, to pass the Arrangement Resolution approving the Arrangement among the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, Wedona, and the Vinergy Shareholders. The Arrangement will consist of the distribution of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to the Vinergy Shareholders. Vinergy Shareholders will also be requested to consider and, if thought fit, to pass the Arq Option Plan Resolution approving the Arq Option Plan, the BC0990756 Option Plan Resolution approving the BC0990756 Option Plan, the Jonpol Option Resolution approving the Jonpol Option Plan, the Leucadia Option Plan Resolution approving the Leucadia Option Plan, the Wayzata Option Plan Resolution approving the Wayzata Option Plan, and the Wedona Option Plan Resolution approving the Wedona Option Plan.

By passing the Arrangement Resolution, the Vinergy Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Vinergy Shareholders.

The Arrangement

The Company, an oil and gas exploration and development company, is a reporting issuer in the provinces of British Columbia, Alberta, and Ontario, and through its 100% owned subsidiary, Zeus Energy Inc., held a 12.5% working interest before payout and 7.5% working interest after payout in four oil and gas leases in South Eastern Saskatchewan. These oil and gas leases comprise 3,040 gross acres or 380 net acres to the Company before payout and 228 net acres after payout.

The farm-in lands in which Zeus has an interest are comprised of the following:

Hastings: Township 4, Range 33, W1M, Section 25.
Northgate: Township 1, Range 3, W2M, Southeast, Northwest and Northeast quarters of Section 9 and Southwest quarter of Section 23. Township 1, Range 3, W2M, Southwest quarter of Section 9, as to a 50% interest.
Pinto: Township 2, Range 4, W2M, Southeast quarter of Section 36. Township 2, Range 3, W2M, Southeast quarter of Section 31 (This is a top-lease to be effective October 20, 2008 if prior third party lease not continued). Township 2, Range 3, W2M, Northeast quarter of Section 31 (This is a top-lease to be effective November 18, 2008 if prior third party lease not continued).

On January 14, 2014, the Company entered into the Arrangement Agreement with its wholly-owned subsidiaries: Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. The purpose of the Arrangement is to allow the Company to divest itself of the Assets, enabling the Company to focus on developing a potential farm-in prospect in the Nipisi Area in north central Alberta. In August 2012, the subject lands were acquired and have now been offered to the Company for farm-in development. The farm-in agreement would be based on paying 6.7 percent of the drill, complete and equip capital, which would be an estimated capital commitment of $100,000 net to the Company (total gross costs estimated at $1,500,000). The Company would then receive a 6.7 percent working interest in production from the wellbore until the capital cost amount is paid out, after which the Company's working interest would be reduced to 2 percent. This drilling activity would also earn the Company a 2 percent

working interest in any future activity over the subject lands. The working interest owners would be subject to normal crown royalties and there is also a 2 percent gross overriding royalty payable on all future production.

After completion of the Arrangement, management of Arq intends to acquire a 50% interest in and to certain mineral claims located in Ontario pursuant to the Property Option Agreement with Arq Investments Inc. After completion of the Arrangement, management of BC0990756 intends to acquire the property legally described as Lot A, Block 18, Plan 9321185, SEC 3 SW QTR, TWP 50 RNG 22 MER 4 Leduc CTY pursuant to the Contract of Purchase and Sale with TBG Capital Inc. After completion of the Arrangement, management of Jonpol intends to acquire a 50% interest in and to certain mineral claims located in Ontario, known as the Hyman Properties, pursuant to the Property Option Agreement with Jescorp Capital Inc. After completion of the Arrangement, management of Leucadia intends to implement its business plan by (1) establishing a portal based upon crowdfunding principles to both attract private businesses, entrepreneurs and inventors to post their business plan on Leucadia's website to attract investors and correspondingly establish a database of accredited investors that can access Leucadia's portal to review potential deals of interest; (2) provide assistance to entrepreneurs to access capital and/or reorganize their corporate structure in consideration of an equity participation; and (3) secure minimum capital to both meet the Canadian Securities Exchange's capital requirements of an investment issuer and to allow Leucadia to make investments directly in investee companies.. After completion of the Arrangement, Wayzata intends to acquire and develop the business of Hole One Holdings Ltd., a company that (1) sources scripts or other early stage projects requiring capital to complete their production; (2) distributes media assets through a pipeline of sources; and (3) finances all elements including the acquisition, distribution and creation of film projects. After completion of the Arrangement, Wedona intends to acquire a 50% working interest in and to certain mineral claims located in Ontario, known as the RCU Properties, pursuant to the Property Option Agreement with Jescorp Capital Inc.

The Company believes that the Arrangement offers a number of benefits to its shareholders, including the following:

i) The Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will serve different markets and are subject to different competitive forces and will require diverse short term and long term strategies. The separation into seven independent companies, each with its own board of directors, will provide management of each company with a sharper business focus. This will permit the companies to pursue independent business strategies best suited to their business plans, and allow them to pursue opportunities in their respective markets.

ii) By vesting its interests in the Assets into six subsidiary companies which will become separate reporting entities, the Company will be better able to pursue different specific operating strategies directly on its own, and indirectly through its holdings in the former subsidiaries without being subject to the financial constraints of competing interests.

iii) After the separation, each company will also have the flexibility to implement its own unique growth strategies, allowing the organizations to refine and refocus their business mix.

iv) Additionally, because the resulting businesses will be focused on their own separate industries, they will be more readily understood by public investors, allowing the companies to be in a better position to raise capital and align management and employee incentives with the interests of shareholders.

Pursuant to the Arrangement, Vinergy will transfer the respective Assets to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona in exchange for Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date.

Each Vinergy Shareholder as of the Share Distribution Record Date, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold a *pro–rata* share of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to be distributed under the Arrangement for each currently held Vinergy Share. The Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares will be identical in every respect to the present Vinergy Shares. See "The Arrangement – Details of the Arrangement".

Effect of the Arrangement on Vinergy Share Commitments

1) As of the Effective Date, the Vinergy Share Commitments will be exercisable, in accordance with the corporate reorganization provisions of such securities, into New Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares on the basis that the holder will receive, upon exercise, a number of New Shares that equals the number of Vinergy Shares that would have been received upon the exercise of the Vinergy Share Commitments prior to the Effective Date, and a number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares that is equal to the number of New Shares so acquired.

2) Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona have agreed, pursuant to the Arq Commitment, BC0990756 Commitment, Jonpol Commitment, Leucadia Commitment, Wayzata Commitment, and Wedona Commitment, to issue Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares upon exercise of the Vinergy Share Commitments and the Company is obligated, as the agent of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, to collect and pay to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona a portion of the proceeds received for each Vinergy Share Commitment so exercised, with the balance of the exercise price to be retained by Vinergy.

3) Any entitlement to a fraction of an Arq Share, BC0990756 Share, Jonpol Share, Leucadia Share, Wayzata Share, and Wedona Share resulting from the exercise of Vinergy Share Commitments will be cancelled without compensation.

Recommendation and Approval of the Board of Directors

The directors of the Company have concluded that the terms of the Arrangement are fair and reasonable to, and in the best interests of, the Company and the Vinergy Shareholders. The Board has therefore approved the Arrangement and authorized the submission of the Arrangement to the Vinergy Shareholders and the Court for approval. The Board recommends that Vinergy Shareholders vote FOR the approval of the Arrangement. See "The Arrangement – Recommendation of Directors".

Reasons for the Arrangement

The decision to proceed with the Arrangement was based on, among other things, the following primary determinations:

1. The Company was incorporated as Vanguard Investments Corp. by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 20, 2001. On August 27, 2001, the Articles of Incorporation were amended to remove the “private company” restrictions, and the Company continued its jurisdiction into British Columbia on May 10, 2011. The Company became a reporting issuer in British Columbia, Alberta, and Ontario by filing a prospectus on August 29, 2001, and since then the Company's primary focus has been the acquisition and development of four oil and gas leases in South Eastern Saskatchewan. When presented with the opportunity to enter into various agreements and letters of intent with diverse companies such as Arq Investments Inc., TBG Capital Inc., Jescorp Capital Inc., and Hole One Holdings Ltd., management of the Company determined that it would be in the best interests of the Company to proceed with the Arrangement. The transfer of the respective Assets to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will facilitate separate corporate development strategies for the Company moving forward and at the same time enable the Company’s shareholders to retain their interest in the Assets moving forward;

2. following the Arrangement, management of the Company will consist of a strong executive team with significant experience, knowledge and connections in the oil and gas industry, and management of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be free to focus on developing their respective Assets;

3. the distribution of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to the Vinergy Shareholders pursuant to the Arrangement will give the Vinergy Shareholders a direct interest in six new companies that will focus on and pursue the development of

diverse businesses such as mineral exploration and development, commercial real estate development, corporate finance, and film production and financing;

4. as a separate company focusing on oil and gas exploration and production, the Company will have direct access to broader public and private capital markets and will be able to issue debt and equity to fund its projects and to finance the acquisition and development of any new technology the Company may acquire on a priority basis;

5. as separate companies, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will have direct access to public and private capital markets and will be able to issue debt and equity to fund improvements and development of their respective Assets and to finance the acquisition and development of any new licenses or technologies they may acquire on a priority basis; and

6. as separate companies, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be able to establish equity based compensation programs to enable them to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders.

See "The Arrangement – Reasons for the Arrangement".

Conduct of Meeting and Shareholder Approval

The Interim Order provides that in order for the Arrangement to proceed, the Arrangement Resolution must be passed, with or without variation, by at least two-thirds (2/3) of the eligible votes cast with respect to the Arrangement Resolution by Vinregy Shareholders present in person or by proxy at the Meeting. See "The Arrangement – Shareholder Approval".

Court Approval

The Arrangement, as structured, requires the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. The Interim Order does not constitute approval of the Arrangement or the contents of this Circular by the Court.

The Notice of Hearing for the Final Order is attached to the Notice of Meeting. In hearing the petition for the Final Order, the Court will consider, among other things, the fairness of the Arrangement to the Vinergy Shareholders. Assuming the Arrangement is approved by the Vinergy Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after March 5, 2014, at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia, or at such other date and time as the Court may direct. At this hearing, any Vinergy Shareholder or director, creditor, auditor or other interested party of the Company who wishes to participate or to be represented or who wishes to present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. See "The Arrangement – Court Approval of the Arrangement".

Income Tax Considerations

Canadian federal income tax considerations for Vinergy Shareholders who participate in the Arrangement or who dissent from the Arrangement are set out in the summary herein entitled "Income Tax Considerations – Certain Canadian Federal Income Tax Considerations".

Vinergy Shareholders should carefully review the tax considerations applicable to them under the Arrangement and are urged to consult their own legal, tax and financial advisors in regard to their particular circumstances.

Right to Dissent

Vinergy Shareholders will have the right to dissent from the Arrangement as provided in the Interim Order, the Plan of Arrangement and sections 237 to 247 of the Act. Any Vinergy Shareholder who dissents will be entitled to be

paid in cash the fair value for their Vinergy Shares held so long as such Dissenting Shareholder: (i) does not vote any of his, her or its Vinergy Shares in favour of the Arrangement Resolution, (ii) provides to the Company written objection to the Plan of Arrangement to the Company's head office at 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5, at least two (2) days before the Meeting or any postponement(s) or adjournment(s) thereof, and (iii) otherwise complies with the requirements of the Plan of Arrangement and section 237 to 247 of the Act. See "Right to Dissent".

Stock Exchange Listings

The Vinergy Shares are currently not listed or posted for trading on any stock exchange in Canada or the United States.

Information Concerning the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona After the Arrangement

Following completion of the Arrangement, the Company will continue to carry on its primary business activities. Each Vinergy Shareholder will continue to be a shareholder of the Company and on the Share Distribution Record Date will receive its *pro–rata* share of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares (multiplied by the Conversion Factor) to be distributed to such Vinergy Shareholders under the Arrangement. See "The Company After the Arrangement" for a summary description of the Company assuming completion of the Arrangement, including selected *pro–forma* unaudited financial information for the Company.

Following completion of the Arrangement, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be reporting in the provinces of British Columbia, Alberta, and Ontario, and the shareholders of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be the holders of Vinergy Shares on the Share Distribution Record Date. Arq will have all of Vinergy's interest in the Property Option Agreement with Arq Investments Inc. See "Arq After the Arrangement" for a description of the Property Option Agreement with Arq Investments Inc., corporate structure and business, including selected pro–forma unaudited financial information of Arq assuming completion of the Arrangement. BC0990756 will have all of Vinergy's interest in the Contract of Purchase and Sale with TBG Capital Inc. See "BC0990756 After the Arrangement" for a description of the Contract of Purchase and sale with TBG Capital Inc., corporate structure and business, including selected pro–forma unaudited financial information of BC0990756 assuming completion of the Arrangement. Jonpol will have all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. See "Jonpol After the Arrangement" for a description of the Property Option Agreement with Jescorp Capital Inc., corporate structure and business, including selected pro–forma unaudited financial information of Jonpol assuming completion of the Arrangement. Leucadia will acquire a business plan from Vinergy with respect to establishing a corporate finance services company. See "Leucadia After the Arrangement" for a summary of the business plan, corporate structure and business, including selected pro–forma unaudited financial information of Leucadia assuming completion of the Arrangement. Wayzata will have all of Vinergy's interest in the letter of intent with Hole One Holdings Ltd. See "Wayzata After the Arrangement" for a description of the letter of intent with Hole One Holdings Ltd., corporate structure and business, including selected pro–forma unaudited financial information of Wayzata assuming completion of the Arrangement. Wedona will have all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. See "Wedona After the Arrangement" for a description of the Property Option Agreement with Jescorp Capital Inc., corporate structure and business, including selected pro–forma unaudited financial information of Wedona assuming completion of the Arrangement.

Selected Unaudited *Pro–Forma* Financial Information for the Company

The following selected unaudited *pro–forma* financial information for the Company is based on the assumptions described in the notes to the Company's unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	***Pro–forma* as at November 30, 2013 on completion of the Arrangement** (unaudited)

Cash and cash equivalents	$ 86,897
Amounts receivable	150
Advances operator	13,846
Investment subsidiaries	-
Total assets	**$ 100,893**
Accounts payable and accrued liabilities	$ 81,066
Due to related parties	330,914
Current payable	20,000
Decommissioning obligations	3,000
Convertible debenture	162,368
Shareholders' equity	(496,455)
Total liabilities and shareholders' equity	**$ 100,893**

Selected Unaudited *Pro–Forma* Financial Information for Arq

In connection with the Arrangement, the Company will transfer its interest in the Property Option Agreement with Arq Investments Inc. to Arq.

The following selected unaudited *pro–forma* financial information for Arq is based on the assumptions described in the notes to the Arq unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	As of November 30, 2013 (unaudited)	***Pro–forma* as at November 30, 2013 on completion of the Arrangement** (unaudited)
Cash	$ 100	5,000
Property Option Agreement with Arq Investments Inc.	Nil	Nil
Total assets	**$ 100**	**$ 5,000**

Selected Unaudited *Pro–Forma* Financial Information for BC0990756

In connection with the Arrangement, the Company will transfer its interest in the Contract of Purchase and Sale with TBG Capital Inc. to BC0990756.

The following selected unaudited *pro–forma* financial information for BC0990756 is based on the assumptions described in the notes to the BC0990756 unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	As of November 30, 2013 (unaudited)	***Pro–forma* as at November 30, 2013 on completion of the Arrangement** (unaudited)
Cash	$ 100	5,000
Contract of purchase and sale with TBG Capital Inc.	Nil	Nil
Total assets	**$ 100**	**$ 5,000**

Selected Unaudited *Pro–Forma* Financial Information for Jonpol

In connection with the Arrangement, the Company will transfer its interest in the Property Option Agreement with Jescorp Capital Inc. to Jonpol.

The following selected unaudited *pro–forma* financial information for Jonpol is based on the assumptions described in the notes to the Jonpol unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	As of November 30, 2013 (unaudited)	*Pro–forma* as at November 30, 2013 on completion of the Arrangement (unaudited)
Cash	$ 100	5,000
Property Option Agreement with Jescorp Capital Inc.	Nil	Nil
Total assets	**$ 100**	**$ 5,000**

Selected Unaudited *Pro–Forma* Financial Information for Leucadia

In connection with the Arrangement, the Company will transfer its corporate finance business plan to Leucadia.

The following selected unaudited *pro–forma* financial information for Leucadia is based on the assumptions described in the notes to the Leucadia unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	As of November 30, 2013 (unaudited)	*Pro–forma* as at November 30, 2013 on completion of the Arrangement (unaudited)
Cash	$ 100	5,000
Corporate finance business plan	Nil	Nil
Total assets	**$ 100**	**$ 5,000**

Selected Unaudited *Pro–Forma* Financial Information for Wayzata

In connection with the Arrangement, the Company will transfer its interest in the letter of intent with Hole One Holdings Ltd. to Wayzata.

The following selected unaudited *pro–forma* financial information for Wayzata is based on the assumptions described in the notes to the Wayzata unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	As of November 30, 2013 (unaudited)	*Pro–forma* as at November 30, 2013 on completion of the Arrangement (unaudited)
Cash	$ 100	5,000
Letter of intent with Hole One Holdings Ltd.	Nil	Nil
Total assets	**$ 100**	**$ 5,000**

Selected Unaudited *Pro–Forma* Financial Information for Wedona

In connection with the Arrangement, the Company will transfer its interest in the Property Option Agreement with Wedona Uranium Inc. to Wedona.

The following selected unaudited *pro–forma* financial information for Wedona is based on the assumptions described in the notes to the Wedona unaudited *pro–forma* balance sheet as at November 30, 2013, attached to this Circular as Schedule "D". The *pro–forma* balance sheet has been prepared based on the assumption that, among other things, the Arrangement occurred on November 30, 2013.

	As of November 30, 2013 (unaudited)	***Pro–forma* as at November 30, 2013 on completion of the Arrangement** (unaudited)
Cash	$ 100	5,000
Property Option Agreement with Jescorp Capital Inc.	Nil	Nil
Total assets	**$ 100**	**$ 5,000**

Information Concerning the Company After the Arrangement

Following completion of the Arrangement, Vinergy will continue to be a reporting issuer in the provinces of British Columbia, Alberta, and Ontario, and will carry on the business of acquiring and developing oil and gas properties, particularly the farm-in prospect in the Nipisi Area in north central Alberta. The Company acquired the prospect in November 2013 and has the opportunity to enter into a farm-in agreement based on paying 6.7 percent of the drill, completion and equipment capital, which would be an estimated capital commitment of $100,000 net to the Company (total gross costs estimated at $1,500,000). The Company would then receive a 6.7 percent working interest in production from the wellbore until the capital cost amount is paid out, after which the Company's working interest would be reduced to 2 percent. This drilling activity would also earn the Company a 2 percent working interest in any future activity over the subject lands. The working interest owners would be subject to normal crown royalties and there is also a 2 percent gross overriding royalty payable on all future production. See "Vinergy After the Arrangement" for a description of the corporate structure and business, including selected pro–forma unaudited financial information, of Vinergy assuming completion of the Arrangement.

Risk Factors

In considering whether to vote for the approval of the Arrangement, Vinergy Shareholders should be aware that there are various risks, including those described in the Section entitled "Risk Factors" in this Circular. Vinergy Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of Vinergy for use at the Meeting, and at any adjournment(s) or postponement(s) thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Currency

In this Circular, except where otherwise indicated, all dollar amounts are expressed in the lawful currency of Canada.

Record Date

The Board has fixed January 10, 2014 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of and to vote at the Meeting. Only Registered Shareholders at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their Vinergy Shares voted at the Meeting.

Appointment of Proxy holders

The individual(s) named in the accompanying form of proxy are management's representatives. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another proper proxy and, in either case, delivering the completed Proxy by mail to the office of Computershare Trust Company of Canada, Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, BC, V6C 3B9, not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof.**

Voting by Proxy holder

The person(s) named in the Proxy will vote or withhold from voting the Vinergy Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Vinergy Shares will be voted accordingly. The Proxy confers discretionary authority on the person(s) named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that properly comes before the Meeting.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the Vinergy Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it by mail to the Company's transfer agent, Computershare Trust Company of Canada, Proxy Department, 510 Burrard Street, 3rd Floor, Vancouver, BC, V6C 3B9, not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof, or in such other manner as may be provided for in the Proxy.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Vinergy Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of Vinergy Shares).

If Vinergy Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those Vinergy Shares will not be registered in the shareholder's name on the records of the Company. Such Vinergy Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the Canada, the vast majority of such Vinergy Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for objecting beneficial owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for non – objecting beneficial owners).

The Company is taking advantage of those provisions of National Instrument 54–101 – "Communication of Beneficial Owners of Securities" of the Canadian Securities Administrators, which permits it to deliver proxy–related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("**VIF**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile to the number provided in the VIF. In addition, Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Vinergy Shares represented by the VIFs it receives.

This Circular, with related material, is being sent to both Registered and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your Vinergy Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your Vinergy Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding your Vinergy Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive.

Beneficial Shareholders who are OBOs should carefully follow the instructions of their Intermediary in order to ensure that their Vinergy Shares are voted at the Meeting.

The form of proxy that will be supplied to Beneficial Shareholders by the Intermediaries will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions Inc., Canada, in Canada (collectively "**BFS**"). BFS mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same person(s) as the Proxy to represent Beneficial Shareholders at the Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, Beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to BFS in the manner specified and in accordance with BFS's instructions. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Vinergy Shares to be represented at the Meeting. **If you receive a VIF from BFS, you cannot use it to vote Vinergy Shares directly at the Meeting. The VIF must be completed and returned to BFS in accordance with its instructions, well in advance of the Meeting in order to have the Vinergy Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Vinergy Shares registered in the name of your Intermediary, you, or a person designated by you, may attend at the Meeting as proxy holder for your Intermediary and vote your Vinergy Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Vinergy Shares as proxy holder for your Intermediary, or have a person

designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your Vinergy Shares.

Revocation of Proxies

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

(a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the registered office of the Company at 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5, at any time up to and including the last Business Day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the Registered Shareholder's Vinergy Shares.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year–end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors, the appointment of the auditor and as may be otherwise set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has 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 would materially affect the Company or any of its subsidiaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Outstanding Vinergy Shares

The Company is authorized to issue an unlimited number of Vinergy Shares without par value. As at January 30, 2014, there were 26,333,330 Vinergy Shares issued and outstanding, each carrying the right to one vote.

Principal Holders of Vinergy Shares

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Vinergy Shares carrying more than 10% of the voting rights attached to all outstanding Vinergy Shares, other than Randy Clifford, who owns 5,000,000 Vinergy Shares, representing 18.99% of the currently issued and outstanding Vinergy Shares.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions and an affirmative vote of two-thirds (2/3) of the votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as special resolutions.

SUMMARY COMPENSATION TABLE

Compensation Discussion and Analysis

The Company's compensation philosophy for its Named Executive Officers is designed to attract well qualified individuals in what is essentially an international market by paying competitive base management fees plus short and long term incentive compensation in the form of stock options or other suitable long term incentives. In making its determinations regarding the various elements of executive compensation, the Board of Directors does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

The duties and responsibilities of the President and CEO are typical of those of a business entity of the Company's size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

The following table sets forth a summary of all compensation for services paid during the most recently completed financial year for Randy Clifford, President, Chief Executive Officer, and Chief Financial Officer.

Name and principal position	Year ending	Salary ($)	Share-based awards ($)	Option-based awards ($) (1)	Non-equity incentive plan compensation		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Randy Clifford, President, CEO and CFO	2013 2012 2011	48,000 48,000 48,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	48,000 48,000 48,000

(1) These amounts represent the value of stock options granted to the respective Named Executive Officer. The methodology used to calculate these amounts was the Black-Scholes-Merton model. This is consistent with the accounting values used in the Company's financial statements. The dollar amount in this column represents the total value ascribed to the stock options.

INCENTIVE PLAN AWARDS

There have not been any incentive stock option awards granted to the Named Executive Officers or to the directors of the Company.

Outstanding Share Based Awards and Option Based Awards

The Company does not have any incentive plans, pursuant to which compensation that depends on achieving certain goals or similar conditions within a specified period is awarded, earned, paid or payable to the Named Executive Officers.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The Company and its subsidiaries have not entered into any employment contracts with the Named Executive Officers.

The Company and its subsidiaries do not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, a change of control of the Company or its subsidiaries or a change in responsibilities of the Named Executive Officer following a change in control.

DIRECTOR COMPENSATION

No compensation was provided to the Directors, who are each not also a Named Executive Officer, for the Company's most recently completed financial year.

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a Stock Option Plan for the granting of incentive stock options to the officers, employees and Directors. 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.

Director Compensation Table

No cash compensation was paid to the directors of the Company in their capacity as directors during the financial years ended February 28, 2013 or February 29, 2012. The directors of the Company are eligible to receive options to purchase common shares pursuant to the Company's incentive stock option plan. At the present time there are no such options outstanding.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding the incentive plan awards for each director (excluding NEOs) outstanding as of January 30, 2014.

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				**Share-based Awards**	
Name	**Number of securities underlying unexercised options**	**Option Exercise Price**	**Option Expiration Date**	**Value of unexercised in-the-money options**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Randy Clifford	Nil	N/A	N/A	Nil	Nil	Nil
Eugene Sekora	Nil	N/A	N/A	Nil	Nil	Nil
Glen Macdonald	Nil	N/A	N/A	Nil	Nil	Nil
Ken Ralfs	Nil	N/A	N/A	Nil	Nil	Nil

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Director or proposed Director (excluding NEOs) for the financial year ended February 28, 2013.

Value Vested or Earned During the Financial Year Ended February 28, 2013

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Randy Clifford	Nil	Nil	Nil
Eugene Sekora	Nil	Nil	Nil
Glen Macdonald	Nil	Nil	Nil
Ken Ralfs	Nil	Nil	Nil

The following table provides details regarding stock options exercised and sold by the Directors (excluding NEOs) during the financial year ended February 28, 2013.

Option Exercises During the Financial Year Ended February 28, 2013

Name	Number of options exercised and sold	Option exercise price	Value realized ($)
Randy Clifford	Nil	Nil	Nil
Eugene Sekora	Nil	Nil	Nil
Glen Macdonald	Nil	Nil	Nil
Ken Ralfs	Nil	Nil	Nil

DIRECTORS' AND OFFICERS INSURANCE

Directors' and Officers' Liability Insurance

The Company does not maintain any directors' and officers' liability insurance policy.

LOANS TO DIRECTORS

The Company does not make personal loans or extensions of credit to its directors or executive officers. There are no loans outstanding from the Company to any of its directors or executive officers.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at February 28, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders[1]	Nil	N/A	Nil
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	Nil

(1) At the annual and special meeting of the Company held on July 26, 2013, the shareholders approved the Company's 10% rolling stock option plan.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at January 30, 2014, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

(i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or

(ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Company's Board consists of four directors, one of whom is not independent based upon the tests for independence set forth in National Instrument 52-110 ("**NI 52-110**"). Eugene Sekora, Ken Ralfs and Glen Macdonald are independent. Randy Clifford is not independent as he is the President, CEO and CFO of the Company.

Management Supervision by Board

The operations of the Company do not support a large Board of Directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are however able to meet at any time without any members of management including the non-independent Directors being present. Further supervision is performed through the Audit Committee who meet with the Company's auditors without management being in attendance.

Risk Management

The Board of Directors is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

The audit committee is responsible for the risk management items set out in the audit committee charter.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. access to recent, publicly filed documents of the Company, material contracts, and the Company's internal financial information;
2. access to management and technical experts and consultants; and
3. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board intends to adopt a Code of Conduct and at that time will instruct its management and employees to abide by the Code.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates.

Compensation of Directors and the CEO

The Company does not have a Compensation Committee. The Board of Directors has the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the independent directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

Board Committees

As the directors are actively involved in the operations of the Company and the size of the Company's operations did not warrant a larger board of directors, the Board will elect a Compensation Committee in due course. The Compensation Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the committee. The Compensation Committee will develop its charter and code of conduct to be approved by the Board of Directors.

Assessments

The Board did not consider that formal assessments were useful at this stage of the Company's development. The Board conducted informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. The Board intends to implement formal assessments to assist in its review and will conduct formal surveys of its directors in due course and will obtain reports from each committee respecting its own effectiveness.

AUDIT COMMITTEE

The Audit Committee's Charter

Mandate

The primary function of the Audit Committee (the "**Committee**") is to assist the Board of Directors 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 system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would 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 Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of 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 of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice 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 CFO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

<u>Documents/Reports Review</u>

(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.

<u>External Auditors</u>

(a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

(b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with 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 of Directors take, appropriate action to oversee the independence of the external auditors.

(e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

   i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

   ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

   iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

(b) Consider the external 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.

Risk Management

1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
2. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
3. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
4. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

Review any related-party transactions.

Composition of the Audit Committee

The following are the members of the Committee:

Ken Ralfs	Independent [(1)]	Financially literate [(1)]
Eugene Sekora	Independent [(1)]	Financially literate [(1)]
Glen Macdonald	Independent [(1)]	Financially literate [(1)]

[(1)] *As defined by NI 52-110.*

Audit Committee Member Education and Experience

Ken Ralfs has experience with public companies as a director and through several types of officer positions held with various reporting issuers. Mr. Ralfs often participated on each Corporation's audit committee. Mr. Ralfs has a B.Sc. (Geology) (1975) from the University of British Columbia.

Eugene Sekora has been a Chartered Accountant in private practice since 1986, as well as having served on the boards of several public companies and has served as a CFO for several public and private companies and has been a member of their audit committees.

Glen Macdonald is a self-employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Audit Committee Oversight

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

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. The Company is relying upon the exemption in Section 6.1 of NI 52-110 (*Venture Issuers*) from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

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 received 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 Fees*	*Tax Fees*[(1)]	*All Other Fees*
February 28, 2013	$10,000	Nil	$1,500	Nil
February 28, 2012	$10,000	Nil	$1,500	Nil

(1) The Company’s external auditors billed the Company $1,500 plus HST and $1,500 plus HST for the financial years ended February 28, 2013 and February 29, 2012 for services related to tax compliance, tax advice and tax planning.

Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company’s business plan and to meet performance goals and objectives.

THE ARRANGEMENT

General

The Arrangement has been proposed to facilitate the separation of the Company's primary business activities from development of the agreements and letter of intent with Arq Investments Inc., TBG Capital Inc., Jescorp Capital Inc., and Hole One Holdings Ltd. Pursuant to the Arrangement,

i) Arq, currently a wholly-owned subsidiary of the Company, will acquire the Property Option Agreement with Arq Investments Inc. for aggregate consideration of 26,333,330 Vinergy Shares multiplied by the Conversion Factor;

ii) BC0990756, currently a wholly-owned subsidiary of the Company, will acquire the Contract of Purchase and Sale with TBG Capital Inc. for aggregate consideration of 26,333,330 Vinergy Shares multiplied by the Conversion Factor;

iii) Jonpol, currently a wholly-owned subsidiary of the Company, will acquire the Property Option Agreement with Jescorp Capital Inc. for aggregate consideration of 26,333,330 Vinergy Shares multiplied by the Conversion Factor;

iv) Leucadia, currently a wholly-owned subsidiary of the Company, will acquire a corporate finance business plan for aggregate consideration of 26,333,330 Vinergy Shares multiplied by the Conversion Factor;

v) Wayzata, currently a wholly-owned subsidiary of the Company, will acquire the letter of intent with Hole One Holdings Ltd. for aggregate consideration of 26,333,330 Vinergy Shares multiplied by the Conversion Factor;

vi) Wedona, currently a wholly-owned subsidiary of the Company, will acquire the Property Option Agreement with Jescorp Capital Inc. for aggregate consideration of 26,333,330 Vinergy Shares multiplied by the Conversion Factor.

Following the Arrangement, the Company will continue to carry on its primary business activities. Each Vinergy Shareholder will, immediately after the Effective Date, hold one New Share for each Vinergy Share held immediately prior to the Arrangement, which will be identical in every respect to the present Vinergy Shares, and each Vinergy Shareholder on the Share Distribution Record Date will receive its pro–rata share of the Vinergy Class A Preferred Shares, will receive its pro–rata share of the 26,333,330 Arq Shares (multiplied by the Conversion Factor) that are acquired by the Company, will receive its pro–rata share of the 26,333,330 BC0990756 Shares (multiplied by the Conversion Factor) that are acquired by the Company, will receive its pro-rata share of the 26,333,330 Jonpol Shares (multiplied by the Conversion Factor), will receive its pro-rata share of the 26,333,330 Leucadia Shares (multiplied by the Conversion Factor), will receive its pro-rata share of the 26,333,330 Wayzata

Shares (multiplied by the Conversion Factor), and will receive its pro-rata share of the 26,333,330 Wedona Shares (multiplied by the Conversion Factor) in exchange for the Assets described herein. See "Details of the Arrangement" and "Arq After the Arrangement" — Selected Unaudited Pro–forma Financial Information of Arq"; "BC0990756 After the Arrangement — Selected Unaudited Pro–forma Financial Information of BC0990756"; "Jonpol After the Arrangement — Selected Unaudited Pro–forma Financial Information of Jonpol"; "Leucadia After the Arrangement — Selected Unaudited Pro–forma Financial Information of Leucadia"; "Wayzata After the Arrangement — Selected Unaudited Pro–forma Financial Information of Wayzata"; and "Wedona After the Arrangement — Selected Unaudited Pro–forma Financial Information of Wedona".

Reasons for the Arrangement

The Board has determined that the Company should concentrate its efforts on its primary business activities. To this end, the Board approved a reorganization of the Company pursuant to the Arrangement as described in this Circular.

The Board is of the view that the Arrangement will benefit the Company and the Vinergy Shareholders. This conclusion is based on the following primary determinations:

1. The Company was incorporated as Vanguard Investments Corp. by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 20, 2001. On August 27, 2001, the Articles of Incorporation were amended to remove the "private company" restrictions, and the Company continued its jurisdiction into British Columbia on May 10, 2011. The Company became a reporting issuer in British Columbia, Alberta, and Ontario by filing a prospectus on August 29, 2001, and since then the Company's primary focus has been the acquisition and development of four oil and gas leases in South Eastern Saskatchewan. When presented with the opportunity to enter into various agreements and letters of intent with diverse companies such as Arq Investments Inc., TBG Capital Inc., Jescorp Capital Inc., and Hole One Holdings Ltd., management of the Company determined that it would be in the best interests of the Company to proceed with the Arrangement. The transfer of the respective Assets to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will facilitate separate corporate development strategies for the Company moving forward and at the same time enable the Company's shareholders to retain their interest in the Assets moving forward;

2. following the Arrangement, management of the Company will consist of a strong executive team with significant experience, knowledge and connections in the oil and gas industry, and management of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be free to focus on developing their respective Assets;

3. the distribution of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to the Vinergy Shareholders pursuant to the Arrangement will give the Vinergy Shareholders a direct interest in six new companies that will focus on and pursue the development of diverse businesses such as mineral exploration and development, commercial real estate development, corporate finance, and film production and financing;

4. as a separate company focusing on oil and gas exploration and development, the Company will have direct access to broader public and private capital markets and will be able to issue debt and equity to fund its projects and to finance the acquisition and development of any new technology the Company may acquire on a priority basis;

5. as separate companies, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will have direct access to public and private capital markets and will be able to issue debt and equity to fund improvements and development of their respective Assets and to finance the acquisition and development of any new licenses or technologies they may acquire on a priority basis; and

6. as separate companies, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be able to establish equity based compensation programs to enable them to better attract, motivate and retain directors, officers and key employees, thereby better aligning management and employee incentives with the interests of shareholders.

Recommendation of Directors

The Board approved the Arrangement and authorized the submission of the Arrangement to the Vinergy Shareholders and the Court for approval. **The Board has concluded that the Arrangement is in the best interests of the Company and the Vinergy Shareholders, and recommends that the Vinergy Shareholders vote FOR the Arrangement Resolution at the Meeting.** In reaching this conclusion, the Board considered the benefits to the Company and the Vinergy Shareholders, as well as the financial position, opportunities and the outlook for the future potential and operating performance of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona.

Fairness of the Arrangement

The Arrangement was determined to be fair to the Vinergy Shareholders by the Board based upon the following factors, among others:

1. the procedures by which the Arrangement will be approved, including the requirement for two-thirds (2/3) Vinergy Shareholder approval and approval by the Court after a hearing at which fairness will be considered;

2. the opportunity for Vinergy Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, to dissent from the approval of the Arrangement in accordance with the Interim Order, and to be paid fair value for their Vinergy Shares; and

3. each Vinergy Shareholder on the Share Distribution Record Date will participate in the Arrangement on a *pro–rata* basis and, upon completion of the Arrangement, will continue to hold substantially the same *pro–rata* interest that such Vinergy Shareholder held in the Company prior to completion of the Arrangement and substantially the same *pro–rata* interest in the Assets through its holdings of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares.

Details of the Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Arrangement Agreement, a copy of which is available on SEDAR under the Company's profile at www.sedar.com, and the Plan of Arrangement, a copy of which is attached as Schedule "A" to the Arrangement Agreement. Each of these documents should be read carefully in their entirety.

Pursuant to the Plan of Arrangement, save and except for Dissenting Shares, the following principal steps will occur and be deemed to occur in the following chronological order as part of the Arrangement:

(a) the Company will transfer the Property Option Agreement with Arq Investments Inc. to Arq, the Contract of Purchase and Sale with TBG Capital Inc. to BC0990756, the Property Option Agreement with Jescorp Capital Inc. to Jonpol, a corporate finance business plan to Leucadia, the letter of intent with Hole One Holdings Ltd. to Wayzata, and the Property Option Agreement with Jescorp Capital Inc. to Wedona in consideration for 26,333,330 shares from each of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona (the "**Distributed Shares**"), and the Distributed Shares will be multiplied by the Conversion Factor so that Vinergy will receive from each subsidiary the number of shares equal to the issued and outstanding Vinergy Shares as of the Share Distribution Record Date. Thereafter the Company will be added to the central securities register of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona in respect of such Distributed Shares;

(b) the authorized share capital of the Company will be changed by:

    (i) altering the identifying name of the Vinergy Shares to class A common shares without par value, being the "Vinergy Class A Shares",

    (ii) creating a class consisting of an unlimited number of common shares without par value, being the "New Shares", and

    (iii) creating a class consisting of an unlimited number of class A preferred shares without par value having the rights and restrictions described in Schedule "A" to the Plan of Arrangement, being the Vinergy Class A Preferred Shares;

(c) each issued Vinergy Class A Share will be exchanged for one New Share and one Vinergy Class A Preferred Share and, subject to the exercise of a right of dissent, the holders of the Vinergy Class A Shares will be removed from the central securities register of the Company and will be added to that central securities register as the holders of the number of New Shares and Vinergy Class A Preferred Shares that they have received on the exchange;

(d) all of the issued Vinergy Class A Shares will be cancelled with the appropriate entries being made in the central securities register of the Company, and the aggregate paid–up capital (as that term is used for purposes of the Tax Act) of the Vinergy Class A Shares immediately prior to the Effective Date will be allocated between the New Shares and the Vinergy Class A Preferred

Shares so that the aggregate paid–up capital of the Vinergy Class A Preferred Shares is equal to the aggregate fair market value of the Distributed Shares as of the Effective Date, and each Vinergy Class A Preferred Share so issued will be issued by the Company at an issue price equal to such aggregate fair market value divided by the number of issued Vinergy Class A Preferred Shares, such aggregate fair market value of the Distributed Shares to be determined as at the Effective Date by resolution of the directors of the Company;

(e) the Company will redeem the issued Vinergy Class A Preferred Shares for consideration consisting solely of the Distributed Shares such that each holder of Vinergy Class A Preferred Shares will, subject to the rounding of fractions and the exercise of rights of dissent, receive that number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares that is equal to the number of Vinergy Class A Preferred Shares held by such holder multiplied by the Exchange Factor;

(f) the name of each holder of Vinergy Class A Preferred Shares will be removed as such from the central securities register of the Company, and all of the issued Vinergy Class A Preferred Shares will be cancelled with the appropriate entries being made in the central securities register of the Company;

(g) the Distributed Shares transferred to the holders of the Vinergy Class A Preferred Shares pursuant to step §(e) above will be registered in the names of the former holders of Vinergy Class A Preferred Shares and appropriate entries will be made in the central securities registers of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona;

(h) the Vinergy Class A Shares and the Vinergy Class A Preferred Shares, none of which will be allotted or issued once the steps referred to in steps §(c) and §(e) above are completed, will be cancelled and the authorized share structure of the Company will be changed by eliminating the Vinergy Class A Shares and the Vinergy Class A Preferred Shares therefrom;

(i) the Notice of Articles and Articles of the Company will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement; and

(j) after the Effective Date:

  (i) all Vinergy Share Commitments will be exercisable for New Shares and Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares in accordance with the corporate reorganization terms of such commitments, whereby the acquisition of one Vinergy Share under a Vinergy Share Commitment will result in the holder of the Vinergy Share Commitments receiving one New Share and such number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares equal to the number of New Shares so received multiplied by the Exchange Factor,

  (ii) pursuant to the Arq Commitment, BC0990756 Commitment, Jonpol Commitment, Leucadia Commitment, Wayzata Commitment, and Wedona Commitment, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will issue the required number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares upon the exercise of Vinergy Share Commitments as is directed by the Company, and

  (iii) the Company will, as agent for Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, collect and pay to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona a portion of the proceeds received for each Vinergy Share Commitment so exercised, with the balance of the exercise price to be retained by Vinergy, determined in accordance with the following formula:

  $A = B \times C/D$

Where:

A is the portion of the proceeds to be received by Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona for each Vinergy Share Commitment exercised after the Effective Date;

B is the exercise price of the Vinergy Share Commitments;

C is the fair market value of the Assets transferred to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona under the Arrangement, such fair market value to be determined as at the Effective Date by resolution of the board of directors of the Company; and

D is the total fair market value of all of the assets of the Company immediately prior to completion of the Arrangement on the Effective Date, which total fair market value shall include, for greater certainty, the Assets.

For information concerning the number of outstanding Vinergy Share Commitments as at the date hereof, see "The Company After the Arrangement – Changes in Share Capital".

The transactions and events set out above shall occur and shall be deemed to occur at the Effective Time on the Effective Date in the chronological order in which they are set out above.

Authority of the Board

By passing the Arrangement Resolution, the Vinergy Shareholders will also be giving authority to the Board, in its sole discretion, to use its best judgment to proceed with and cause the Company to complete the Arrangement without any requirement to seek or obtain any further approval of the Vinergy Shareholders.

Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:

(i) set out in writing;
(ii) filed with the Court and, if made following the Vinergy Meeting, approved by the Court; and
(iii) communicated to holders of Vinergy Shares, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona Shares,

Further, any amendment, modification or supplement to the Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement and is not adverse to the financial or economic interests of Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona or any former holder of Vinergy Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares, as the case may be.

Conditions to the Arrangement

The Arrangement Agreement provides that the Arrangement will be subject to the fulfillment of certain conditions, including the following:

1. the Interim Order shall have been granted in form and substance satisfactory to Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona, acting reasonably, on appeal or otherwise;

2. the Arrangement Resolution shall have been passed by the Vinergy Shareholders at the Vinergy Meeting in accordance with the Arrangement Provisions, the constating documents of Vinergy, the Interim Order and the requirements of any applicable regulatory authorities;

3. the Arrangement and this Agreement, with or without amendment, shall have been approved by the Arq Shareholder(s), BC0990756 Shareholder(s), Jonpol Shareholder(s), Leucadia Shareholder(s), Wayzata Shareholder(s), and Wedona Shareholder(s) to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona;

4. the Final Order shall have been granted in form and substance satisfactory to Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, acting reasonably;

5. the notice(s) of alteration and such other documents as may be required to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, acting reasonably;

6. all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona;

7. there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and

8. this Agreement shall not have been terminated under Article 7 of the Arrangement Agreement.

If any of the conditions set out in the Arrangement Agreement are not fulfilled or performed, the Arrangement Agreement may be terminated, or in certain cases the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona, as the case may be, may waive the condition in whole or in part. As soon as practicable after the fulfillment of the conditions contained in the Arrangement Agreement, the Board intends to cause a certified copy of the Final Order to be filed with the Registrar under the Act, together with such other material as may be required by the Registrar, in order that the Arrangement will become effective.

Management of the Company believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application therefor.

Shareholder Approval

Vinergy Shareholder Approval

In order for the Arrangement to become effective, the Arrangement Resolution must be passed, with or without variation, by a special resolution of at least two-thirds (2/3) of the eligible votes cast in respect of the Arrangement Resolution by Vinergy Shareholders present in person or by proxy at the Meeting.

Shareholder Approval for Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona

Vinergy, as the sole shareholder of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, has approved the Arrangement by consent resolution.

Court Approval of the Arrangement

The Arrangement as structured is subject to the approval of the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order authorizing the calling and holding of the Meeting and providing for certain other procedural matters. A copy of the Interim Order is attached as Schedule "B" to this Circular. The Notice of Hearing of Petition for the Final Order is attached to the Notice of Meeting.

Assuming the Arrangement Resolution is approved by the Vinergy Shareholders at the Meeting, the hearing for the Final Order is scheduled to take place at 9:45 a.m. (Vancouver time) on or after March 5, 2014 at the Courthouse located at 800 Smithe Street, Vancouver, British Columbia or at such other date and time as the Court may direct. At this hearing, any security holder, director, auditor or other interested party of the Company who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements.

The Court has broad discretion under the Act when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks appropriate. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the Vinergy Shareholders.

Proposed Timetable for Arrangement

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Special Meeting: February 28, 2014

Final Court Approval: March 5, 2014

Share Distribution Record Date: To be determined

Effective Date: On or about the Share Distribution Record Date

Mailing of Certificates for Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares: Approximately 5 to 10 Business Days after the Share Distribution Record Date

Notice of the actual Share Distribution Record Date and Effective Date will be given to the Vinergy Shareholders through one or more press releases. The boards of directors of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, respectively, will determine the Effective Date depending upon satisfaction that all of the conditions to the completion of the Arrangement are satisfied.

Share Certificates

After the Share Distribution Record Date, the share certificates representing, on their face, Vinergy Shares will be deemed to represent only New Shares with no right to receive Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, or Wedona Shares. Before the Share Distribution Record Date, the share certificates representing, on their face, Vinergy Shares, will be deemed under the Plan of Arrangement to represent New Shares and an entitlement to receive Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares in accordance with the terms of the Arrangement. As soon as practicable after the Effective Date, share certificates representing the appropriate number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares will be sent to all Vinergy Shareholders of record on the Share Distribution Record Date.

No new share certificates will be issued for the New Shares created under the Arrangement and therefore holders of Vinergy Shares must retain their certificates as evidence of their ownership of New Shares. Certificates representing, on their face, Vinergy Shares will constitute good delivery in connection with the sale of New Shares completed through the facilities of the Exchange after the Effective Date.

Relationship between the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona After the Arrangement

On completion of the Arrangement, the current directors of the Company will be the directors of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. Glen Macdonald, a director of the Company, will serve as the President, Chief Executive Officer and Chief Financial Officer of Arq, BC0990756, Leucadia, and Wayzata and Michael Wilson will serve as the President, Chief Executive Officer and Chief Financial Officer of Jonpol and Wedona. See "Arq After the Arrangement — Directors and Officers of Arq", "BC0990756 After the Arrangement — Directors and Officers of BC0990756", "Jonpol After the Arrangement — Directors and Officers of Jonpol", "Leucadia After

the Arrangement — Directors and Officers of Leucadia", "Wayzata After the Arrangement — Directors and Officers of Wayzata", and "Wedona After the Arrangement — Directors and Officers of Wedona".

Effect of Arrangement on Outstanding Vinergy Share Commitments

After the Effective Date, all Vinergy Share Commitments will be exercisable for Vinergy Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares in accordance with the corporate reorganization and adjustment provisions of such commitments, whereby the exercise of a Vinergy Share Commitment will result in the holder of the Vinergy Share Commitment receiving one Vinergy Share and one Arq Share, one BC0990756 Share, one Jonpol Share, one Leucadia Share, one Wayzata Share, and one Wedona Share. Pursuant to the Arq Commitment, BC0990756 Commitment, Jonpol Commitment, Leucadia Commitment, Wayzata Commitment, and Wedona Commitment, each of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will issue the required number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares upon the exercise of Vinergy Share Commitments as is directed by Vinergy and Vinergy will, as agent for Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, collect and pay to each of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona a portion of the proceeds received for each Vinergy Share Commitment so exercised, with the balance of the exercise price to be retained by Vinergy, as determined in accordance with §3.4 of the Arrangement Agreement.

Resale of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares

Exemption from Canadian Prospectus Requirements and Resale Restrictions

The issue of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable provincial securities legislation in Canada. Under applicable provincial securities laws, such Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares may be resold in Canada without hold period restrictions, except that any person, company or combination of persons or companies holding a sufficient number of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to affect materially the control of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona, respectively, will be restricted from reselling such shares. In addition, existing hold periods on any Vinergy Shares in effect on the Effective Date will be carried forward to the corresponding Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares.

The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares received upon completion of the Arrangement. All holders of Vinergy Shares are urged to consult with their own legal counsel to ensure that any resale of their Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares complies with applicable securities legislation.

Application of United States Securities Laws

The Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to be issued to the Vinergy Shareholders under the Arrangement have not been registered under the U.S. Securities Act, or under the securities laws of any state of the United States, and will be issued to Vinergy Shareholders resident in the United States in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Arrangement by the Court, and pursuant to available exemptions from registration under applicable state securities laws. The Court will be advised that the Court's approval, if obtained, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act.

U.S. Resale Restrictions – Securities Issued to Vinergy Shareholders

Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to be issued to a Vinergy Shareholder who is an "affiliate" of either the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona prior to the Arrangement or will be an "affiliate" of Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona after the Arrangement will be subject to certain restrictions on resale imposed by the U.S. Securities Act. Pursuant to Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer for the purposes of the U.S. Securities

Act is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the securities received upon completion of the Arrangement. All holders of securities received in connection with the Arrangement are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Additional Information for U.S. Security Holders

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements are different than those of the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the assets and operations of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona has been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies.

Financial statements included herein have been prepared in accordance with generally accepted accounting principles and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies. Vinergy Shareholders should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona are incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and any experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona and said persons may be located outside the United States.

Expenses of Arrangement

Pursuant to the Arrangement Agreement, the costs relating to the Arrangement, including without limitation, financial, advisory, accounting, and legal fees will be borne by the party incurring them. The costs of the Arrangement to the Effective Date will be borne by the Company.

INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

The following fairly summarizes the principal Canadian federal income tax considerations relating to the Arrangement applicable to a Vinergy Shareholder (in this summary, a "**Holder**") who, at all material times for purposes of the Tax Act:

- holds all Vinergy Shares, and will hold all New Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares, solely as capital property;
- deals at arm's length with Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona;
- is not "affiliated" with the Company or Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona;
- is not a "financial institution" for the purposes of the mark–to–market rules in the Tax Act; and

- has not acquired Vinergy Shares on the exercise of an employee stock option.

Vinergy Shares, New Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares generally will be considered to be capital property of the Holder unless the Holder holds the shares in the course of carrying on a business or acquired them in a transaction considered to be an adventure in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations there under (the "**Regulations**") and counsel's understanding of the current administrative practices and policies of the Canada Revenue Agency (the "**CRA**"). This summary does not take into account any provincial, territorial, or foreign income tax considerations which may differ from the Canadian federal income tax considerations discussed below. An advance income tax ruling will not be sought from the CRA in respect of the Arrangement.

This summary also assumes that at the Effective Date under the Arrangement and all other material times thereafter,

- the paid–up capital of the Vinergy Class A Shares (the re-designated Vinergy Shares) as computed for the purposes of the Tax Act will not be less than the fair market value of the Assets to be transferred to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona pursuant to the Arrangement,

and is qualified accordingly.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, and should not be construed to be, legal or tax advice to any Vinergy Shareholder. Accordingly, Vinergy Shareholders should each consult their own tax and legal advisers for advice as to the income tax consequences of the Arrangement applicable to them in their particular circumstances.

Holders Resident in Canada

The following portion of the summary is applicable only to Holders (each, in this portion of the summary, a "Resident Holder") who are or are deemed to be residents in Canada for the purposes of the Tax Act.

Exchange of Vinergy Shares for New Shares and Vinergy Class A Preferred Shares

A Resident Holder whose Vinergy Class A Shares (the re-designated Vinergy Shares) are exchanged for New Shares and Vinergy Class A Preferred Shares pursuant to the Arrangement will not realize any capital gain or loss as a result of the exchange. The Resident Holder will be required to allocate the adjusted cost base ("ACB") of the Holder's Vinergy Shares, determined immediately before the Arrangement, pro–rata to the New Shares and Vinergy Class A Preferred Shares received on the exchange based on the relative fair market values of those New Shares and Vinergy Class A Preferred Shares immediately after the exchange.

Redemption of Vinergy Class A Preferred Shares

Pursuant to the Arrangement, the paid–up capital of the Vinergy Class A Shares immediately before their exchange for New Shares and Vinergy Class A Preferred Shares will be allocated to the Vinergy Class A Preferred Shares to be issued on the exchange to the extent of an amount equal to the fair market value of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to be issued to Vinergy pursuant to the Arrangement in consideration for the Assets and the balance of such paid–up capital will be allocated to the New Shares to be issued on the exchange.

The Company has informed counsel that it expects that the fair market value of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares to be so issued will be materially less than the paid–up capital of the Vinergy Class A Shares immediately before the exchange, and counsel has assumed for the purposes of this summary that the Company's expectation is correct. Accordingly, the Company is not expected to be deemed to have paid, and no Resident Holder is expected to be deemed to have received, a dividend as a result of the distribution of Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares on the redemption of the Vinergy Class A Preferred Shares pursuant to the Arrangement.

Each Resident Holder whose Vinergy Class A Preferred Shares are redeemed for Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares pursuant to the Arrangement will realize a capital gain (capital loss) equal to the amount, if any, by which the fair market value of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares, less reasonable costs of disposition, exceed (are exceeded by) their ACB immediately before the redemption. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below (see "Holders Resident in Canada — Taxation of Capital Gains and Losses").

The cost to a Resident Holder of Vinergy Class A Preferred Shares acquired on the exchange will be equal to the fair market value of the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares at the time of their distribution.

Disposition of New Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares

A Resident Holder who disposes of a New Share or an Arq Share, BC0990756 Share, Jonpol Share, Leucadia Share, Wayzata Share, and Wedona Share will realize a capital gain (capital loss) equal to the amount by which the proceeds of disposition of the share, less reasonable costs of disposition, exceed (are exceeded by) the ACB of the share to the Resident Holder determined immediately before the disposition. Any capital gain or loss so arising will be subject to the usual rules applicable to the taxation of capital gains and losses described below. See "Holders Resident in Canada — Taxation of Capital Gains and Losses".

Taxation of Capital Gains and Losses

A Resident Holder who realizes a capital gain (capital loss) in a taxation year must include one half of the capital gain ("taxable capital gain") in income for the year, and may deduct one half of the capital loss ("allowable capital loss") against taxable capital gains realized in the year, and to the extent not so deductible, against taxable capital gains arising in any of the three preceding taxation years or any subsequent taxation year.

The amount of any capital loss arising from a disposition or deemed disposition of a Vinergy Class A Preferred Share, New Share, or an Arq Share, BC0990756 Share, Jonpol Share, Leucadia Share, Wayzata Share, and Wedona Share by a Resident Holder that is a corporation may, to the extent and under circumstances specified in the Tax Act, be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share. Similar rules may apply if the corporation is a member of a partnership or beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a "Canadian–controlled private corporation" for the purposes of the Tax Act may be required to pay an additional 6⅔% refundable tax in respect of any net taxable capital gain that it realizes on disposition of a Vinergy Class A Preferred Share, New Share or an Arq Share, BC0990756 Share, Jonpol Share, Leucadia Share, Wayzata Share, and Wedona Share.

Taxation of Dividends

A Resident Holder who is an individual will be required to include in income any dividend that the Resident Holder receives, or is deemed to receive, on New Shares or Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares, and will be subject to the gross–up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations.

A Resident Holder that is a corporation will be required to include in income any dividend that it receives or is deemed to be received on New Shares or Arq Shares or BC0990756 Shares or Jonpol Shares or Leucadia Shares or Wayzata Shares or Wedona Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income. A "private corporation" (as defined in the Tax Act) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual or a related group of individuals may be liable under Part IV of the Tax Act to pay a refundable tax of 33⅓% on any dividend that it receives or is deemed to be received on New Shares or Arq Shares or BC0990756 Shares or Jonpol Shares or Leucadia Shares or Wayzata Shares or Wedona

Shares to the extent that such dividends are deductible in computing the corporation's taxable income. Any such Part IV tax will be refundable to it at the rate of $1 for every $3 of taxable dividends that it pays on its shares.

Alternative Minimum Tax on Individuals

A capital gain realized, or deemed to be realized, by a Resident Holder who is an individual (including certain trusts and estates) may give rise to liability to alternative minimum tax under the Tax Act.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a "Resident Dissenter") and consequently is paid the fair value for the Resident Dissenter's Vinergy Shares in accordance with the Arrangement will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid–up capital of the Resident Dissenter's Vinergy Shares. Any such deemed dividend will be subject to tax as discussed above under "Holders Resident in Canada — Taxation of Dividends". The Resident Dissenter will also realize a capital gain (capital loss) equal to the amount, if any, by which the payment, less the deemed dividend (if any) and less reasonable costs of disposition, exceeds (is exceeded by) the ACB of the shares. The Resident Dissenter will be required to include any resulting taxable capital in income, and to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See "Holders Resident in Canada – Taxation of Capital Gains and Losses".

The Resident Dissenter must also include in income any interest awarded by a court to the Resident Dissenter.

Eligibility for Investment

Vinergy Class A Preferred Shares and New Shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, and registered education savings plans ("Registered Plans") at any particular time provided that, at that time, either the shares are listed on a "prescribed stock exchange" or Vinergy is a "public corporation" as defined for the purposes of the Tax Act.

Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares will be qualified investments under the Tax Act for Registered Plans at any particular time provided that, at that time, either the Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares are listed on a "designated stock exchange" or Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona is a "public corporation" as so defined.

Holders Not Resident in Canada

The following portion of this summary is applicable only to Holders (each in this portion of the summary a "Non–resident Holder") who:

- have not been, are not, and will not be resident or deemed to be resident in Canada for purposes of the Tax Act;
- do not and will not, and are not and will not be deemed to, use or hold Vinergy Shares, New Shares, Vinergy Class A Preferred Shares, or Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, or Wedona Shares in connection with carrying on a business in Canada; and
- whose Vinergy Class A Shares (the re-designated Vinergy Shares), Vinergy Class A Preferred Shares, New Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares will not at the Effective Date under the Arrangement, or at any material time thereafter, constitute "taxable Canadian property" for the purposes of the Tax Act.

Generally, a Vinergy Class A Share, Vinergy Class A Preferred Share, New Share, or Arq Share, BC0990756 Share, Jonpol share, Leucadia Share, Wayzata Share, or Wedona Share, as applicable, owned by a Non–resident Holder will not be taxable Canadian property of the Non–resident Holder at a particular time provided that, at that time, (i) the share is listed on a prescribed stock exchange (which includes the Exchange), (ii) neither the Non–resident Holder nor persons with whom the Non–resident Holder does not deal at arm's length alone or in any combination has owned 25% or more of the shares of any class or series in the capital of the issuing corporation within the

previous five years, and (iii) the share was not acquired in a transaction as a result of which it was deemed to be taxable Canadian property of the Non–resident Holder.

Special rules, which are not discussed in this summary, may apply to a Non–resident Holder that is an insurer carrying on business in Canada.

Capital Gains and Capital Losses on Share Exchanges and Subsequent Dispositions of Shares

A Non–resident Holder who participates in the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the exchange of Vinergy Class A Shares (the re-designated Vinergy Shares) for New Shares and Vinergy Class A Preferred Shares, nor on the redemption of Vinergy Class A Preferred Shares in consideration for Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares.

Similarly, any capital gain realized by a Non–resident Holder on the subsequent disposition or deemed disposition of a New Share, Arq Share, BC0990756 Share, Jonpol Share, Leucadia Share, Wayzata Share or Wedona Share acquired pursuant to the Arrangement will not be subject to tax under the Tax Act, provided either that the shares do not constitute taxable Canadian property of the Non–resident Holder at the time of disposition, or an applicable income tax treaty exempts the capital gain from tax under the Tax Act.

Non–resident Holders will be exempt from the reporting and withholding obligations of §116 of the Tax Act in respect of the disposition of Vinergy Class A Shares and Vinergy Class A Preferred Shares pursuant to the Arrangement.

Deemed Dividends on the Redemption of Vinergy Class A Preferred Shares

For the reasons set above under “Holders Resident in Canada — Redemption of Vinergy Class A Preferred Shares”, the Company expects that no Non–Resident Holder will be deemed to have received a dividend on the redemption of Vinergy Class A Preferred Shares for Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares or Wedona Shares.

Taxation of Dividends

A Non–resident Holder to whom a dividend on a New Share or Arq Share, BC0990756 Share, Jonpol Share, Leucadia Share, Wayzata Share, or Wedona Share is or is deemed to be paid, or credited, will be subject to Canadian withholding tax under the Tax Act at the rate of 25% of the gross amount of the dividend, unless reduced by an applicable income tax treaty, if any.

Dissenting Non–resident Holders

A Non–resident Holder who validly exercises Dissent Rights (a “Non–resident Dissenter”) and consequently is paid the fair value for the Non–resident Dissenter's Vinergy Shares in accordance with the Arrangement, will be deemed to have received a dividend equal to the amount, if any, by which the payment exceeds the paid–up capital of the Non–resident Dissenter's Vinergy Shares. Any such deemed dividend will be subject to tax as discussed above under “Holders Not Resident in Canada — Taxation of Dividends”. The Non–resident Dissenter will not be subject to tax under the Tax Act on any capital gain that may arise in respect of the resulting disposition of the Vinergy Shares.

The Non–resident Holder will also be subject to Canadian withholding tax on that portion of any such payment that is on account of interest at the rate of 25%, unless reduced by an applicable income tax treaty, if any.

APPROVAL OF THE ARQ STOCK OPTION PLAN

Purpose of the Arq Stock Option Plan

The purpose of the proposed Arq Stock Option Plan is to provide an incentive to Arq's directors, officers, employees, management companies and consultants to continue their involvement with Arq, to increase their efforts on Arq's behalf and to attract new qualified employees, while at the same time reducing the cash compensation the

Company would otherwise have to pay. The Arq Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of the Arq Shareholders.

General Description and Exchange Policies

The following is a brief description of the principal terms of the Arq Stock Option Plan, which description is qualified in its entirety by the terms of the Arq Stock Option Plan. A full copy of the Arq Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

Number of Shares Reserved. The number of Arq Shares which may be issued pursuant to options granted under the plan shall not exceed ten (10%) percent of the issued and outstanding Arq Shares from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Arq Stock Option Plan is fixed by the board of directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the Exchange or, if the Arq Shares are not listed on the Exchange, then such other exchange or quotation system on which the Arq Shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under Exchange requirements. If an option is cancelled prior to the expiry date, Arq shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of Arq or the Committee (as hereinafter defined) from time to time and in accordance with Exchange requirements, if the Company`s shares are listed on an Exchange.

Termination. Any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been canceled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Arq Shares.

Administration. The plan is administered by the board of directors of Arq or, if the board of Arq so elects, by a Committee (the “Committee”), which committee shall consist of at least two board members, appointed by the board of directors of Arq.

Board Discretion. The plan provides that, generally, the number of Arq Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of Arq or the Committee and in accordance with Exchange requirements.

The Vinergy Shareholders will be asked at the Meeting to approve, ratify and affirm by ordinary resolution the Arq Option Plan Resolution in substantially the form of resolution 2 set out in Schedule “A” attached to this Circular. A full copy of the Arq Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

The Board unanimously recommends that shareholders vote FOR the Arq Stock Option Plan Resolution.

APPROVAL OF THE BC0990756 STOCK OPTION PLAN

Purpose of the BC0990756 Stock Option Plan

The purpose of the proposed BC0990756 Stock Option Plan is to provide an incentive to BC0990756's directors, officers, employees, management companies and consultants to continue their involvement with BC0990756, to increase their efforts on BC0990756's behalf and to attract new qualified employees, while at the same time reducing the cash compensation the Company would otherwise have to pay. The BC0990756 Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of the BC0990756 Shareholders.

General Description and Exchange Policies

The following is a brief description of the principal terms of the BC0990756 Stock Option Plan, which description is qualified in its entirety by the terms of the BC0990756 Stock Option Plan. A full copy of the BC0990756 Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

Number of Shares Reserved. The number of BC0990756 Shares which may be issued pursuant to options granted under the plan shall not exceed ten (10%) percent of the issued and outstanding BC0990756 Shares from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the BC0990756 Stock Option Plan is fixed by the board of directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the Exchange or, if the BC0990756 Shares are not listed on the Exchange, then such other exchange or quotation system on which the BC0990756 Shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under Exchange requirements. If an option is cancelled prior to the expiry date, BC0990756 shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of BC0990756 or the Committee (as hereinafter defined) from time to time and in accordance with Exchange requirements, if the Company`s shares are listed on an Exchange.

Termination. Any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been canceled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the BC0990756 Shares.

Administration. The plan is administered by the board of directors of BC0990756 or, if the board of BC0990756 so elects, by a Committee (the "Committee"), which committee shall consist of at least two board members, appointed by the board of directors of BC0990756.

Board Discretion. The plan provides that, generally, the number of BC0990756 Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of BC0990756 or the Committee and in accordance with Exchange requirements.

The Vinergy Shareholders will be asked at the Meeting to approve, ratify and affirm by ordinary resolution the BC0990756 Option Plan Resolution in substantially the form of resolution 3 set out in Schedule "A" attached to this Circular. A full copy of the BC0990756 Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

The Board unanimously recommends that shareholders vote FOR the BC0990756 Stock Option Plan Resolution.

APPROVAL OF THE JONPOL STOCK OPTION PLAN

Purpose of the Jonpol Stock Option Plan

The purpose of the proposed Jonpol Stock Option Plan is to provide an incentive to Jonpol's directors, officers, employees, management companies and consultants to continue their involvement with Jonpol, to increase their efforts on Jonpol's behalf and to attract new qualified employees, while at the same time reducing the cash compensation the Company would otherwise have to pay. The Jonpol Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of the Jonpol Shareholders.

General Description and Exchange Policies

The following is a brief description of the principal terms of the Jonpol Stock Option Plan, which description is qualified in its entirety by the terms of the Jonpol Stock Option Plan. A full copy of the Jonpol Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

Number of Shares Reserved. The number of Jonpol Shares which may be issued pursuant to options granted under the plan shall not exceed ten (10%) percent of the issued and outstanding Jonpol Shares from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Jonpol Stock Option Plan is fixed by the board of directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the Exchange or, if the Jonpol Shares are not listed on the Exchange, then such other exchange or quotation system on which the Jonpol Shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under Exchange requirements. If an option is cancelled prior to the expiry date, Jonpol shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of Jonpol or the Committee (as hereinafter defined) from time to time and in accordance with Exchange requirements, if the Company`s shares are listed on an Exchange.

Termination. Any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been canceled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Jonpol Shares.

Administration. The plan is administered by the board of directors of Jonpol or, if the board of Jonpol so elects, by a Committee (the "Committee"), which committee shall consist of at least two board members, appointed by the board of directors of Jonpol.

Board Discretion. The plan provides that, generally, the number of Jonpol Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of Jonpol or the Committee and in accordance with Exchange requirements.

The Vinergy Shareholders will be asked at the Meeting to approve, ratify and affirm by ordinary resolution the Jonpol Option Plan Resolution in substantially the form of resolution 4 set out in Schedule "A" attached to this Circular. A full copy of the Jonpol Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

The Board unanimously recommends that shareholders vote FOR the Jonpol Stock Option Plan Resolution.

APPROVAL OF THE LEUCADIA STOCK OPTION PLAN

Purpose of the Leucadia Stock Option Plan

The purpose of the proposed Leucadia Stock Option Plan is to provide an incentive to Leucadia's directors, officers, employees, management companies and consultants to continue their involvement with Leucadia, to increase their efforts on Leucadia's behalf and to attract new qualified employees, while at the same time reducing the cash compensation the Company would otherwise have to pay. The Leucadia Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of the Leucadia Shareholders.

General Description and Exchange Policies

The following is a brief description of the principal terms of the Leucadia Stock Option Plan, which description is qualified in its entirety by the terms of the Leucadia Stock Option Plan. A full copy of the Leucadia Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

Number of Shares Reserved. The number of Leucadia Shares which may be issued pursuant to options granted under the plan shall not exceed ten (10%) percent of the issued and outstanding Leucadia Shares from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Leucadia Stock Option Plan is fixed by the board of directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the Exchange or, if the Leucadia Shares are not listed on the Exchange, then such other exchange or quotation system on which the Leucadia Shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under Exchange requirements. If an option is cancelled prior to the expiry date, Leucadia shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of Leucadia or the Committee (as hereinafter defined) from time to time and in accordance with Exchange requirements, if the Company`s shares are listed on an Exchange.

Termination. Any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been canceled or that have expired without having been exercised shall continue to be issuable under the plan. The plan

also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Leucadia Shares.

Administration. The plan is administered by the board of directors of Leucadia or, if the board of Leucadia so elects, by a Committee (the "Committee"), which committee shall consist of at least two board members, appointed by the board of directors of Leucadia.

Board Discretion. The plan provides that, generally, the number of Leucadia Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of Leucadia or the Committee and in accordance with Exchange requirements.

The Vinergy Shareholders will be asked at the Meeting to approve, ratify and affirm by ordinary resolution the Leucadia Option Plan Resolution in substantially the form of resolution 5 set out in Schedule "A" attached to this Circular. A full copy of the Leucadia Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

The Board unanimously recommends that shareholders vote FOR the Leucadia Stock Option Plan Resolution.

APPROVAL OF THE WAYZATA STOCK OPTION PLAN

Purpose of the Wayzata Stock Option Plan

The purpose of the proposed Wayzata Stock Option Plan is to provide an incentive to Wayzata's directors, officers, employees, management companies and consultants to continue their involvement with Wayzata, to increase their efforts on Wayzata's behalf and to attract new qualified employees, while at the same time reducing the cash compensation the Company would otherwise have to pay. The Wayzata Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of the Wayzata Shareholders.

General Description and Exchange Policies

The following is a brief description of the principal terms of the Wayzata Stock Option Plan, which description is qualified in its entirety by the terms of the Wayzata Stock Option Plan. A full copy of the Wayzata Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

Number of Shares Reserved. The number of Wayzata Shares which may be issued pursuant to options granted under the plan shall not exceed ten (10%) percent of the issued and outstanding Wayzata Shares from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Wayzata Stock Option Plan is fixed by the board of directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the Exchange or, if the Wayzata Shares are not listed on the Exchange, then such other exchange or quotation system on which the Wayzata Shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under Exchange requirements. If an option is cancelled prior to the expiry date, Wayzata shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of Wayzata or the Committee (as hereinafter defined) from time to time and in accordance with Exchange requirements, if the Company`s shares are listed on an Exchange.

Termination. Any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been canceled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Wayzata Shares.

Administration. The plan is administered by the board of directors of Wayzata or, if the board of Wayzata so elects, by a Committee (the "Committee"), which committee shall consist of at least two board members, appointed by the board of directors of Wayzata.

Board Discretion. The plan provides that, generally, the number of Wayzata Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of Wayzata or the Committee and in accordance with Exchange requirements.

The Vinergy Shareholders will be asked at the Meeting to approve, ratify and affirm by ordinary resolution the Wayzata Option Plan Resolution in substantially the form of resolution 6 set out in Schedule "A" attached to this Circular. A full copy of the Wayzata Stock Option Plan is available to Vinregy Shareholders upon request and will be available at the Meeting.

The Board unanimously recommends that shareholders vote FOR the Wayzata Stock Option Plan Resolution.

APPROVAL OF THE WEDONA STOCK OPTION PLAN

Purpose of the Wedona Stock Option Plan

The purpose of the proposed Wedona Stock Option Plan is to provide an incentive to Wedona's directors, officers, employees, management companies and consultants to continue their involvement with Wedona, to increase their efforts on Wedona's behalf and to attract new qualified employees, while at the same time reducing the cash compensation the Company would otherwise have to pay. The Wedona Stock Option Plan is also intended to assist in aligning management and employee incentives with the interests of the Wedona Shareholders.

General Description and Exchange Policies

The following is a brief description of the principal terms of the Wedona Stock Option Plan, which description is qualified in its entirety by the terms of the Wedona Stock Option Plan. A full copy of the Wedona Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

Number of Shares Reserved. The number of Wedona Shares which may be issued pursuant to options granted under the plan shall not exceed ten (10%) percent of the issued and outstanding Wedona Shares from time to time at the date of grant.

Maximum Term of Options. The term of any options granted under the Wedona Stock Option Plan is fixed by the board of directors and may not exceed five years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the Exchange or, if the Wedona Shares are not listed on the Exchange, then such other exchange or quotation system on which the Wedona Shares are listed or quoted for trading.

Amendment. The terms of an option may not be amended once issued under Exchange requirements. If an option is cancelled prior to the expiry date, Wedona shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of Wedona or the Committee (as hereinafter defined) from time to time and in accordance with Exchange requirements, if the Company`s shares are listed on an Exchange.

Termination. Any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been canceled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Wedona Shares.

Administration. The plan is administered by the board of directors of Wedona or, if the board of Wedona so elects, by a Committee (the "Committee"), which committee shall consist of at least two board members, appointed by the board of directors of Wedona.

Board Discretion. The plan provides that, generally, the number of Wedona Shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of Wedona or the Committee and in accordance with Exchange requirements.

The Vinergy Shareholders will be asked at the Meeting to approve, ratify and affirm by ordinary resolution the Wedona Option Plan Resolution in substantially the form of resolution 7 set out in Schedule "A" attached to this Circular. A full copy of the Wedona Stock Option Plan is available to Vinergy Shareholders upon request and will be available at the Meeting.

The Board unanimously recommends that shareholders vote FOR the Wedona Stock Option Plan Resolution.

RIGHTS OF DISSENT

Dissenters' Rights

The Act contains provisions requiring the Company to purchase Vinergy Shares from Vinergy Shareholders who dissent in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent. Pursuant to the terms of the Interim Order and the Plan of Arrangement, the Company has granted the Vinergy Shareholders who object to the Arrangement Resolution the right to dissent (the "**Dissent Right**") in respect of the Arrangement. A Dissenting Shareholder will be entitled to be paid in cash the fair value of the Dissenting Shareholder's Vinergy Shares so long as the dissent procedures are strictly adhered to. The Dissent Right is granted in Article 5 of the Plan of Arrangement. **A registered Dissenting Shareholder who intends to exercise the Dissent Right is referred to the full text of Sections 237 to 247 of the Act which is attached as Schedule "C" to this Circular.**

A Vinergy Shareholder who wishes to exercise his or her Dissent Right must give written notice of his or her dissent (a "**Notice of Dissent**") to the Company at its head office at 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5, marked to the attention of the Corporate Secretary, by either delivering the Notice of Dissent to the Company at least two days before the Meeting or by mailing the Notice of Dissent to the Company by registered mail post marked not later than two days before the Meeting.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution. However, the procedures for exercising Dissent Rights given in Schedule "C" must be strictly followed as a vote against the Arrangement Resolution or the execution or exercise of a proxy voting against the Arrangement Resolution does not constitute a Notice of Dissent.

Vinergy Shareholders should be aware that they will not be entitled to exercise a Dissent Right with respect to any Vinergy Shares if they vote (or instruct or are deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution. A Dissenting Shareholder may, however, vote as a proxy for a Vinergy Shareholder whose proxy requires an affirmative vote on the Arrangement Resolution, without affecting his or her right to exercise the Dissent Right.

In the event that a Vinergy Shareholder fails to perfect or effectively withdraws its claim under the Dissent Right or forfeits its right to make a claim under the Dissent Right, each Vinergy Share held by that Vinergy Shareholder will thereupon be deemed to have been exchanged in accordance with the terms of the Arrangement as of the Effective Date.

Vinergy Shareholders who wish to exercise Dissent Rights should review the dissent procedures described in Schedule "C" and seek legal advice, as failure to adhere strictly to the Dissent Right requirements will result in the loss or unavailability of any right to dissent.

RISK FACTORS

In evaluating the Arrangement, Vinergy Shareholders should carefully consider, in addition to the other information contained in this Circular, the following risk factors associated with Vinergy, Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. These risk factors are not a definitive list of all risk factors associated with the business to be carried out by Vinergy and the business to be carried out by Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona.

Risks Related to Vinergy

Exploration, Development and Production Risks

Oil and gas operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves of the Company at any particular time, and the production therefrom, will decline over time as such existing reserves are exploited. A future increase in the Company's production will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Company.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, the Company will not be fully insured against all of these risks, nor are all such risks insurable. Although the Company will maintain liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also

subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Company makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of, so that the Company can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Company, if disposed of, could be expected to realize less than their carrying value on the consolidated financial statements of the Company.

Operational Dependence

Other companies operate some of the assets in which the Company has an interest. As a result, the Company has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Company's financial performance. The Company's return on assets operated by others therefore depends upon a number of factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Project Risks

The Company manages a variety of projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic. The Company's ability to execute projects and market oil and natural gas depends upon numerous factors beyond the Company's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of and demand for oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Company could be unable to execute projects on time, on budget, or at all, and may not be able to effectively market the oil and natural gas that it produces.

Competition

The petroleum industry is competitive in all its phases. The Company competes with numerous other participants in the search for the acquisition of oil and natural gas properties and in the marketing of oil and natural gas. These competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of the Company. The Company's ability to increase reserves in the future will depend not only on its ability to

explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government that may be amended from time to time. The Company’s operations may require licenses from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary approvals, licenses and permits that may be required to carry out exploration and development at its projects. A failure to obtain such approval on a timely basis or material conditions imposed by such authority in connection with the approval would materially affect the prospects of the Company. Governments may regulate or intervene with respect to price, taxes, royalties and the exploration of oil and gas. The implementation of new regulations or the modification of existing regulation affecting the oil and gas industry could reduce demand of oil and natural gas and increase the Company’s costs, any of which could have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

The Canadian Federal Government has announced its intention to regulate greenhouse gases (“GHG”) and other air pollutants. The Government is currently developing a framework that outlines its clean air and climate change action plan, including a target to reduce GHG emissions by 45% to 65% by 2050 and a commitment to regulate industry on an emissions intensity basis in the short-term. Currently there are few technical details regarding the implementation of the Government's plan to regulate industrial GHG emissions, but the Government has made a commitment to work with industry to develop the specifics. As this federal program is under development, the Company is not able to predict the total impact of the potential regulations upon its business. It is possible that the Company could face increases in operating costs in order to comply with GHG emissions legislation which could have the effect of curtailing exploration and development by oil and natural gas producers and that in turn, could adversely affect the Company’s operations by reducing demand for its products.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it is in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company’s financial condition, results of operations or prospects.

Kyoto Protocol

The Kyoto Protocol came into force on February 16, 2005. Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so-called “greenhouse gases”. The Company’s exploration and production facilities and other operations and activities will emit a small amount of greenhouse gases which may subject the Company to legislation regulating emissions of greenhouse gases. The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for the various industrial activities, including oil and gas exploration and production. Future federal or provincial legislation may require the reduction of emissions or emissions intensity from the Company’s operations and facilities. The direct or indirect costs of these regulations may adversely affect the Company’s business.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by the Company will be affected by numerous factors beyond its control. The Company's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. The Company will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of the Company's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of the Company's reserves. The Company might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Company's net production revenue causing a reduction in its oil and gas acquisition, development and exploration activities. In addition, bank borrowings available to the Company are in part determined by the Company's borrowing base. A sustained material decline in prices from historical average prices could reduce the Company's borrowing base, therefore reducing the bank credit available to the Company and could require that a portion of the Company's bank debt be repaid.

Substantial Capital Requirements

It is anticipated that the Company will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Company's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's financial condition, results of operations or prospects.

Additional Funding Requirements

The Company's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, the Company may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Company's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to the Company.

Issuance of Debt

From time to time the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase the Company's debt levels above industry standards. Depending on future exploration and development plans, the Company may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. The articles of the Company do not limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time, could impair the Company's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Accounting

The Company is engaged in the exploration for and production of oil and natural gas in Canada. The Company will follow the full cost method of accounting for oil and gas operations whereby all costs related to the acquisition of, exploration for and development of oil and gas reserves are capitalized into a single Canadian cost centre. Such costs

include leasehold acquisition costs, geological and geophysical cost, lease rentals on non-producing properties, drilling both productive and non-productive wells, plant and equipment costs, asset retirement costs and related overhead. Government incentives are credited to the cost of the oil and gas properties at the time the expenditures are incurred. Proceeds from the disposal of properties are applied as a reduction of the cost of the remaining assets with no gain or loss recognized, unless such a sale would result in a change of more than 20% in the depletion rate.

All costs of acquisition, exploration and development of oil and gas reserves, associated tangible plant and equipment costs and estimated costs of future development of proven undeveloped reserves are depleted and depreciated by the unit of production method based on estimated proven reserves (before deduction of royalties) as determined by independent engineers. Costs of unproved properties and seismic costs on undeveloped land are initially excluded from oil and gas properties for the purpose of calculating depletion. When proved reserves are assigned or the property is considered to be impaired, the cost of the property or the amount of the impairment is added to costs subject to depletion. For purposes of the calculation, natural gas reserves and production will be converted to equivalent volumes of petroleum based upon relative energy content.

The Company will assess the carrying value of property, plant and equipment for impairment (the “ceiling test”). The ceiling test will be calculated by comparing the carrying value of property, plant and equipment to the sum of undiscounted cash flows expected to result from the future production of proved reserves and the lower of cost and market value of unproved properties. Cash flows will be based on third party quoted forward prices, adjusted for quality and transportation. Should the ceiling test result in an excess of carrying value, an impairment loss will be recognized to the extent that the carrying value of property, plant and equipment exceeds the estimated net present value of proved and probable reserves, and the sale of unproved properties.

Hedging

From time to time the Company may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Company will not benefit from such increases. Similarly, from time to time the Company may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, the Company will not benefit from the fluctuating exchange rate.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities. The Company will not be the operator of all of its oil and gas properties, and as a result the Company will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Title to Assets

Although title reviews will generally be conducted prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the Company’s claim which could result in a reduction of the revenue received by the Company.

Expiration of Licenses and Leases

The Company’s properties are held in the form of licenses and leases and working interests in licenses and leases. If the Company or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of the Company’s licenses or leases or the working interests relating to a license or lease may have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

Reserves Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors that are beyond the control of the Company. The reserve and cash flow information set forth herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of the Company. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of activities the Company intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such activities do not achieve the level of success assumed in the evaluations.

Insurance

The Company's involvement in the exploration for and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although prior to drilling the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

Reserves Replacement

The Company's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Company successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to the Company or to the operator, and the delays by operators in remitting payment to the Company, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connections of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of the Company in a given period and expose the Company to additional third party credit risks.

Changes in Legislation

The return on an investment in securities of the Company is subject to changes in Canadian federal and provincial tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Company or the Company's shareholders, as a result of their holding and disposing of the Vinergy Shares.

Alternatives to and Changing Demand for Petroleum Products

Full conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Changes to Royalty Regime

There can be no assurance that the Government of Alberta or the Canadian Federal Government will not adopt a new royalty regime or modify the methodology of royalty calculations which could increase the royalties paid by the Company. An increase in royalty could reduce the Company's earnings and/or it could make capital expenditures by the Company uneconomic.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of the Company.

Income Taxes

The Company will file all required income tax returns and believes that it will be in full compliance with the provisions of the Income Tax Act (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Assessments of Value of Acquisitions

Acquisitions of oil and gas issuers and oil and gas assets are typically based on engineering and economic assessments made by independent engineers and the acquirer's own assessments. Both of these assessments both will include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Company's control. In particular, the prices of and markets for oil and natural gas products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geological and engineering uncertainty which could result in lower production and reserves than anticipated. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm the Company uses for its year end reserve evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by the Company. Any such instance may offset the return on and value of the Vinergy Shares.

Borrowing

The Company's lenders will be provided with security over substantially all of the assets of the Company. If the Company becomes unable to pay its debt service charges or otherwise commits an event of default, such as bankruptcy, these lenders may foreclose on or sell the Company's properties. The proceeds of such sale would be applied to satisfy amounts owed to the Company's lenders and other creditors and only the remainder, if any, would be available to the Company or to its shareholders upon liquidation.

Third Party Credit Risk

The Company is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event

such entities fail to meet their contractual obligations to the Company such failures could have a material adverse effect on the Company and its cash flow from operations.

Conflicts of Interest

Directors of the Company may, from time to time, serve as directors of, or participate in ventures with other companies involved in the oil and gas industry. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the *Business Corporations Act* (British Columbia) and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit. The Company does not know of any such pending or actual material legal proceedings as of the date of this Circular.

Dependency on a Small Number of Management Personnel

The Company will be dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company and its business operations.

No Cash Dividends Are Expected to be Paid in the Foreseeable Future

The Company intends to retain any future earnings to finance its business operations and any future growth. Therefore, the Company does not anticipate declaring any cash dividends in the foreseeable future.

Risks Related to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona

Uncertainty of Additional Capital

The development of the business and the growth of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will require substantial additional financing. Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona have limited financial resources and limited operating income. Failure to obtain sufficient financing could result in a delay or indefinite postponement of development of the business. An important source of funds available to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona is through the sale of equity capital. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona and might involve substantial dilution to existing shareholders. Failure to raise capital when needed would have a material adverse effect on the business, financial condition, operations and growth of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona.

Highly Speculative Business

The nature of the business is highly speculative. Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona are subject to many risks common to newly formed enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. In addition, most of the risk factors described herein are beyond the control of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. The investment involves a high degree of risk and should only be considered by those persons who can afford a total loss of their investment. Investors must rely on management of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona and those who are not prepared to do so should not invest.

Limited History of Operations

Each of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona is in the early stages of its development. The success of each company will depend, among other things, upon its ability to successfully develop and manage its

business. There can be no assurance that Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be able to expand its customer base, generate significant net income, or become profitable. Accordingly, the holding of the securities of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona must therefore be regarded as the holding of funds at a high risk and in an unproven venture with all the unforeseen costs, expenses, problems, and difficulties to which such ventures are subject.

No History of Earnings

Each of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona has limited financial resources, has limited operating cash flow and there is no assurance that additional funding will be available to it for development. Furthermore, additional financing will be required to continue the development of each company's business. There can be no assurance that Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

Dependency on a Small Number of Management Personnel

Each of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona and its respective business operations.

Conflicts of Interest

Certain directors and officers of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona are, and may continue to be, involved in acquiring interests in other companies through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. Situations may arise in connection with potential acquisitions or investments where the other interests of these directors and officers may conflict with the interests of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. The directors of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona are required by law, however, to act honestly and in good faith with a view to the best interests of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, respectively, and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona, respectively, and to abstain from voting as a director for the approval of any such transaction.

THE COMPANY AFTER THE ARRANGEMENT

The following is a description of the Company assuming completion of the Arrangement.

Name, Address and Incorporation

The Company was incorporated as Vanguard Investments Corp. by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 20, 2001. On August 27, 2001, the Articles of Incorporation were amended to remove the "private company" restrictions, and the Company continued its jurisdiction into British Columbia on May 10, 2011. The Company became a reporting issuer in British Columbia, Alberta, and Ontario by filing a prospectus on August 29, 2001, and since then the Company's primary focus has been the acquisition and development of four oil and gas leases in South Eastern Saskatchewan.

The Company owns 100% of the shares of Zeus Energy Inc. ("Zeus"), a corporation incorporated under the *Business Corporations Act* (Alberta) on November 7, 2007 under the name 1361681 Alberta Inc. This company amended its articles to change its name to "Zeus Energy Inc." on May 28, 2008. The Company's business is presently carried on through Zeus.

On January 14, 2014, the Company entered into the Arrangement Agreement with Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. The Arrangement Agreement contemplates the spinout of the Company's interest in all of its agreements and letter of intent, being the Assets, to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona in consideration for 26,333,330 common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona multiplied by the Conversion Factor. The Company is currently a reporting issuer in each of the provinces of British Columbia, Alberta, and Ontario.

Vinergy's head office is currently located at 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5. The Company's registered and records office address is 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5.

Directors and Officers

The board of directors of Vinergy consists of four (4) directors. The directors of Vinergy are Randy Clifford, Eugene Sekora, Glen Macdonald, and Ken Ralfs. The officers of Vinergy are Randy Clifford, Chief Executive Officer and Chief Financial Officer.

Business of the Company – History Since Incorporation

The Company was incorporated as Vanguard Investments Corp. by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) on March 20, 2001. On August 27, 2001, the Articles of Incorporation were amended to remove the "private company" restrictions. At the time of incorporation as a capital pool company, the principal business of the Company was to identify and evaluate corporations, properties, assets or businesses with a view to their potential acquisition or the acquisition of an interest therein. On February 12, 2002, the Company completed an initial public offering of 2,500,000 common shares at $0.20 per share for gross proceeds of $500,000 and the common shares of the Company commenced trading on the Canadian Venture Exchange or CDNX (now known as the TSX Venture Exchange) under the trading symbol "TII" on Thursday, February 14, 2002. Pursuant to the policies of the CDNX, the Company was required to complete its Qualifying Transaction within 18 months from the date of listing.

On August 28, 2003, the Company entered into a letter of intent with Blue Lagoon Ventures Inc. ("**Blue Lagoon**") (TSXV trading symbol: BLG) and Bio-Synergy Resources Inc. ("**BSR**") whereby Vanguard will amalgamate with a subsidiary of Blue Lagoon concurrently with or following the merger of Blue Lagoon and BSR which merger was announced in Blue Lagoon's press releases dated October 15, 2002 and December 9, 2002. The amalgamation with the Blue Lagoon subsidiary was intended to be the qualifying transaction of the Company pursuant to the policies of the TSX Venture Exchange. On May 13, 2004, the Company announced that it would not proceed with the proposed amalgamation as the Company's proposed qualifying transaction. The Company had identified certain obstacles to the successful completion of the proposed qualifying transaction.

On July 2, 2004, the Company's common shares were delisted from the TSX Venture Exchange for failing to complete a qualifying transaction within the required time frame.

On July 7, 2004 the Company signed a letter of intent with Pinnacle Power Corporation with plans to relist its common shares on the TSX Venture Exchange, subject to regulatory approval, and make this the Company's qualifying transaction. The letter of intent was subsequently terminated.

On November 30, 2009, the Company completed the acquisition of all of the outstanding shares and convertible loans of Zeus Energy Inc., a private Alberta corporation engaged in the exploration of oil and gas resources, holding a 12.5% working interest before payout and 7.5% working interest after payout in four oil and gas leases in South Eastern Saskatchewan. Zeus had an obligation to meet its pro rata share of ongoing development costs to put the wells into production and to maintain production. The acquisition of Zeus was an arm's length transaction and was completed by the issuance of 19,533,330 common shares of the Company. In conjunction with the acquisition there was a change in the directors and management of the Company.

On April 13, 2010, the common shares of the Company were listed and posted for trading on the Canadian National Stock Exchange (now known as the Canadian Securities Exchange) under the symbol "VIN".

On November 29, 2013, the Company entered into a Contract of Purchase and Sale with TBG Capital Inc. to acquire real property legally described as Lot A, Block 18, Plan 9321185, Sec 3 SW QTR, TWP 50 RNG 22 MER 4, in Leduc City, Alberta, for a purchase price of $650,000.

On January 3, 2014, the Company entered into a property option agreement with Arq Investments Inc. to acquire a 50% working interest in certain mineral claims located in Ontario known as the Arq Properties, in consideration for (a) incurring exploration expenditures of not less than $50,000 no later than June 30, 2014; (b) paying $25,000 to Arq Investments Inc. in cash or shares on or before December 31, 2014; (c) incurring exploration expenditures on

the Arq Properties of not less than an additional $100,000 no later than December 31, 2015; (d) on or before December 31, 2015, paying to Arq Investments Inc. an additional amount of $50,000 in cash or shares; (e) incurring exploration expenditures on the Arq Properties of not less than an additional $100,000 no later than December 31, 2016; and (f) on or before December 31, 2016, paying to Arq Investments Inc. an additional amount of $50,000 in cash or shares.

On January 6, 2014, the Company entered into a property option agreement with Jescorp Capital Inc. to acquire a 50% working interest in certain mineral claims in Ontario known as the Hyman Properties in consideration for (a) incurring exploration expenditures on the Hyman Properties of not less than $50,000 no later than December 31, 2014; (b) on or before December 31, 2014, paying to Jescorp Capital Inc. the amount of $25,000 in cash or shares; (c) incurring exploration expenditures on the Hyman Properties of not less than an additional $100,000 no later than December 31, 2015; (d) on or before December 31, 2015, paying to Jescorp Capital Inc. an additional amount of $50,000 in cash or shares; (e) incurring exploration expenditures on the Hyman Properties in an amount of not less than an additional $100,000 no later than December 31, 2016; and (f) on or before December 31, 2016, paying to Jescorp Capital Inc. an additional amount of $50,000 in cash or shares.

On January 6, 2014, the Company entered into a letter of intent with Hole One Holdings Ltd. and the shareholders of Talisman Venture Partners Ltd. as owners of Hole One Holdings Ltd., for the acquisition of all of the issued and outstanding common shares of Hole One Holdings Ltd., in consideration for 10,000,000 common shares of the Company at a deemed issue price of $0.05 per share.

On January 6, 2014, the Company entered into a property option agreement with Jescorp Capital Inc. to acquire a 50% working interest in certain mineral claims located in Ontario known as the RCU Properties, in consideration for (a) incurring exploration expenditures on the RCU Properties of not less than $50,000 no later than December 31, 2014; (b) on or before December 31, 2014, paying to Jescorp Capital Inc. the amount of $25,000 in cash or shares; (c) incurring exploration expenditures on the RCU Properties of not less than an additional $100,000 no later than December 31, 2015; (d) on or before December 31, 2015, paying to Jescorp Capital Inc. an additional amount of $50,000 in cash or shares; (e) incurring exploration expenditures on the RCU Properties of not less than an additional $100,000 no later than December 31, 2016; and (f) on or before December 31, 2016, paying to Jescorp Capital Inc. an additional $50,000 in cash or shares.

On January 14, 2014, the Company entered into the Arrangement Agreement with Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona. The Arrangement Agreement contemplates the spinout of the Company's interest in all of its agreements and letter of intent, being the Assets, to Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona in consideration for 26,333,330 common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona multiplied by the Conversion Factor. The Company is currently a reporting issuer in the provinces of Alberta, British Columbia and Ontario.

Business of the Company Following the Arrangement

Following completion of the Arrangement, the Company will focus on a potential farm-in prospect in the Nipisi area in north central Alberta.

The principal business operations of the Company are summarized below.

Business Overview

Through the Company's 100% owned subsidiary, Zeus Energy Inc., it held a 12.5% working interest before payout and 7.5% working interest after payout in four oil and gas leases in South Eastern Saskatchewan. These oil and gas leases comprise 3,040 gross acres or 380 net acres to the Company before payout and 228 net acres after payout.

The farm-in lands in which Zeus has an interest are comprised of the following:

Hastings: Township 4, Range 33, W1M, Section 25.
Northgate: Township 1, Range 3, W2M, Southeast, Northwest and Northeast quarters of Section 9 and Southwest quarter of Section 23.

Township 1, Range 3, W2M, Southwest quarter of Section 9, as to a 50% interest.
Pinto: Township 2, Range 4, W2M, Southeast quarter of Section 36. Township 2, Range 3, W2M, Southeast quarter of Section 31 (This is a top-lease to be effective October 20, 2008 if prior third party lease not continued). Township 2, Range 3, W2M, Northeast quarter of Section 31 (This is a top-lease to be effective November 18, 2008 if prior third party lease not continued).

During the Company's year ended February 29, 2012, the Company was advised by the operator that all 4 of its wells were being abandoned. At February 28, 2013, the operator had performed most of the work required on the properties to procure full releases and reclamation certificates. Future estimated site restoration costs are based upon engineering estimates of the anticipated method and extent of site restoration required in accordance with current legislation and industry practices. Presently, an estimate of $30,000 per well is used by the Company's third party engineers and the properties presently include an average 12.5% working interest in the 4 wells.

At April 25, 2013, the Company's total future estimated, inflated undiscounted cash flows required for site restoration and abandonment costs, before considering salvage, is approximately $7,500. These obligations were commenced in 2011. As at April 25, 2013 approximately $14,000 has been set aside to settle these obligations and any other contingent liabilities that may be incurred

In August 2012, the Nipisi subject lands were acquired and have now been offered to the Company for farm-in development. The farm-in agreement would be based on paying 6.7 percent of the drill, complete and equip capital, which would be an estimated capital commitment of $100,000 net to the Company (total gross costs estimated at $1,500,000). The Company would then receive a 6.7 percent working interest in production from the wellbore until the capital cost amount is paid out, after which the Company's working interest would be reduced to 2 percent. This drilling activity would also earn the Company a 2 percent working interest in any future activity over the subject lands. The working interest owners would be subject to normal crown royalties and there is also a 2 percent gross overriding royalty payable on all future production.

The Nipisi Field is located approximately 300 kilometres northwest of Edmonton, Alberta. Production is obtained from the Gilwood sands, specifically the Gilwood A sand belonging to the Devonian Watt Mountain Formation. The reservoir is interpreted to be stratigraphically trapped in the updip northeasterly direction by the shaling out of the sands and bound downdip to the southwest by a regional aquifer. The reservoir consists of sands created by deposition of igneous and metamorphic sediment eroded from the Peace River high located northwest of the Nipisi Field and transported and deposited in a deltaic environment.

The farm-in lands extend over 1,120 acres in the Sections 29, 30 and 31 of Township 78 Range 7 west of the Fifth Meridian. The identified prospect is located at 2-31-78-7W5 targeting the Gilwood A sand. The proposed location would be a corner shot of the existing Gilwood A Pool, immediately offsetting the Nipisi Gilwood A Unit. Offsetting well logs have been reviewed and correlated and net pays have been estimated and contoured using a 9 percent density cut-off. The key offset wells to consider are the two wells closest to the prospect to the east and west. The closest producing well is located two legal subdivisions to the west at 4-31-78-7W5 and it has produced nearly 250 Mbbl to date with current production rates of 10 to 25 bopd. The wellbore located two legal subdivisions to the east is at 5-32-78-7W5 and this well has been interpreted to be too tight to be productive in the Gilwood sand. Based on this analysis, the potential exists for the 2-31 well location to encounter similar reservoir in the Gilwood A sand as demonstrated in offsetting producers; however, there is risk that the sand could be tight at this location. If successful, the Gilwood A sand would be penetrated at approximately 1,720 metres where it would encounter 1 to 2 metres of sand thickness greater than nine percent porosity and greater than one millidarcy of permeability. It should also be noted that the 2-31 well location would be considered to be in the optimal structural location as it would be updip from existing production where hydrocarbons may have been flushed over time.

Directors and Officers of Vinergy

The following table sets out the names of the proposed directors and officers of Vinergy, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, and the period of time for which each has been a director or executive officer of Vinergy.

Name,	***Principal Occupation or Employment and, if not a***	***Previou***	***Number of***

Jurisdiction of Residence and Position	*Previously Elected Director, Occupation During the Past 5 Years*	*s Service as a Director*	*Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly*[(1)]
RANDY CLIFFORD Alberta, Canada President, CEO, CFO and Director	Independent consultant engaged in providing management and corporate secretarial services.	Since November 30, 2009	5,000,000
EUGENE SEKORA[(2)(3)] Alberta, Canada Director	Since 1986 Chartered Accountant in private practice.	Since November 30, 2009	1,000,000
GLEN MACDONALD[(2)(4)] British Columbia, Canada Director	Self-employed consulting geologist.	Since November 30, 2009	Nil
KEN RALFS[(2)] British Columbia, Canada Director	Self-employed consulting geologist.	Since November 12, 2013	Nil

Notes:

[(1)]Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at January 30, 2014 based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.

[(2)]Denotes a member or proposed member of the Audit Committee of the Company.

[(3)] Mr. Sekora is a director of Loma Oil & Gas Ltd, ("**Loma**"). Loma was the subject of a cease trade order issued by the Alberta Securities Commission dated May 5, 2011 due to the failure to file its audited financial statements for the year ended December 31, 2010 within the required time. That order was revoked on September 12, 2011. Loma was the subject of a corresponding cease trade order issued by the British Columbia Securities Commission from May 10, 2011 to September 13, 2011. In addition, Loma is presently subject to cease trade orders issued by the Alberta Securities Commission dated May 3, 2012 and the British Columbia Securities Commission dated May 9, 2012 due to the failure to file its audited financial statements for the year ended December 31, 2011. Those orders have not yet been revoked.

[(4)] Glen Macdonald was a director of Corniche Capital Ltd. ("**Corniche**") when it was halted by the TSX Venture Exchange ("**TSXV**") on August 4, 1999 and on October 5, 1999 for failure to complete a major transaction within the required time. Corniche was reorganized as Printlux.com, Inc. and on August 23, 2001 it completed its major transaction. Mr. Macdonald resigned as a director in August 2001 as part of this reorganization.

Mr. Macdonald has been a director of AVC Venture Corp. ("**AVC**") since November 1999. On November 25, 2002, AVC was halted by the TSXV for failure to complete a major transaction within the required time. Trading was reinstated on December 15, 2003. AVC was again halted on June 6, 2006 for failure to complete a major transaction. This halt remains in effect.

Mr. Macdonald has been a director of Dynamic Resources Corp. ("**Dynamic**") since September 1993. On May 1, 2009, a management cease trade order was issued against the securities of Dynamic held by Glen Macdonald for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired as of July 10, 2009.

Mr. Macdonald has been a director of Maxim Resources Inc. ("**Maxim**") since May 2002. On May 4, 2009, a cease trade order was issued against Maxim for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired August 4, 2009.

Management of Vinergy

The following is a description of the individuals who will be directors and officers of Vinergy following the completion of the Arrangement:

Randy Clifford, Chief Executive Officer and Chief Financial Officer of the Company, has significant experience as a director and officer of public companies. Mr. Clifford is currently a director of Firebird Energy Inc., a TSX Venture Exchange listed company (trading symbol FRD), a director of Monster Uranium Corp., a TSX Venture Exchange listed company (trading symbol MU), a director and officer of Yorkton Ventures Inc., a TSX Venture Exchange listed company (trading symbol YVI), a director and officer of Wise Oakwood Ventures Inc., a TSX Venture Exchange listed company (trading symbol WOW.P), Chief Financial Officer of Firebird Resources Inc., a TSX Venture Exchange listed company (trading symbol FIX) and an officer of GTO Resources Inc., a TSX Venture Exchange listed company (trading symbol GTR).

Eugene Sekora, a director of the Company, has been a Chartered Accountant in private practice since 1986, as well as having served on the boards of several public companies and has served as a CFO for several public and private companies and has been a member of their audit committees.

Glen Macdonald, a director of the Company, is a self-employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Ken Ralfs, a director of the Company, is a geologist and is currently an officer and/or a director of Angel Bioventures Inc.,(NEX) GTO Resources Inc., Firebird Resources Inc. (both on TSXV) and Dunes Exploration Ltd.(CSE).

Description of Share Capital

The authorized share capital of Vinergy consists of an unlimited number of common shares, of which 26,333,330 common shares are issued and outstanding as of January 30, 2014, and an unlimited number of preferred shares, of which there are none.

Common Shares

The Company is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of the Company and, upon liquidation, to share equally in such assets of the Company as are distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares (the "**Preferred Shares**"). The Preferred Shares may be issued from time to time in one or more series, each consisting of a number of Preferred Shares as determined by the board of directors of the Company who also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Preferred Shares. There are no Preferred Shares issued and outstanding. The Preferred Shares of each series shall, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, rank on a parity with the Preferred Shares of every other series and shall be entitled to preference over the common shares and the shares of any other class ranking junior to the Preferred Shares.

Changes in Share Capital

As at January 30, 2014, the Company had 26,333,330 common shares issued and outstanding.

On August 27, 2001, the Articles of Incorporation were amended to remove the "private company" restrictions, and the Company continued its jurisdiction into British Columbia on May 10, 2011.

Dividend Policy

Vinergy has not paid dividends since incorporation. Vinergy currently intends to retain all available funds, if any, for use in its business.

Trading Price and Volume

The Company's common shares currently trade on the Canadian Securities Exchange under the symbol VIN.

The following table sets forth the reported high and low prices and the trading volume as reported by stockhouse.com for the shares for each month for the twelve (12) month period prior to the date of this Circular:

Date	Price ($)		Trading Volume
	High	Low	
January 2014	0.005	0.005	7,000
December 2013	0.005	0.005	12,000
November 2013	0.005	0.005	2,000
October 2013	-	-	-
September 2013	0.005	0.005	10,000
August 2013	0.005	0.005	8,000
July 2013	0.005	0.005	2,000
June 2013	0.005	0.005	29,000
May 2013	0.005	0.005	89,000
April 2013	0.005	0.005	20,000
March 2013	-	-	-
February 2013	-	-	-
January 2013	0.005	0.005	20,000

Selected Unaudited Pro–Forma Combined Financial Information of the Company

The following selected unaudited *pro–forma* combined financial information for the Company is based on the assumptions described in the respective notes to the Company's unaudited pro-forma combined balance sheet as at November 30, 2013, after taking into effect the Arrangement, which is attached to this Circular as Schedule "D". The unaudited pro-forma combined balance sheet has been prepared based on the assumption that, among other things, the Arrangement had occurred on November 30, 2013. The *pro–forma* balance sheet and pro-forma combined balance sheet are not intended to reflect the financial position that would have resulted if the events reflected therein had occurred on the dates indicated. In addition, the *pro–forma* balance sheet and the pro-forma combined balance sheet are not necessarily indicative of the financial position that may be attained in the future. The *pro–forma* balance sheet and pro-forma combined balance sheet should be read in conjunction with the Company's audited financial statements which are appended to this Circular as Schedule "E".

	***Pro–forma* as at November 30, 2013 on completion of the Arrangement** (unaudited)
Cash and cash equivalents	$ 86,897
Amounts receivable	150
Advances to operator	13,846
Investment in Subsidiaries	-
Total assets	**$ 100,893**
Accounts payable and accrued liabilities	$ 81,066
Due to related parties	330,914
Current loan payable	20,000
Decommissioning obligations	3,000

Convertible debenture	162,368
Shareholders' equity	(496,455)
Total liabilities and shareholders' equity	**$ 100,893**

The Company's Unaudited Financial Statements

The Company's unaudited financial statements for the fiscal period ended November 30, 2013 are attached hereto as Schedule “E”. The Company's management's discussion and analysis dated January 16, 2014, for the fiscal period ended November 30, 2013, is also attached hereto as Schedule “E”.

Material Contracts

The following are the contracts material to Vinergy:

(1) The Farm-Out Agreement dated November 2013;
(2) The Arrangement Agreement;
(3) The Property Option Agreement with Arq Investments Inc.;
(4) The Contract of Purchase and Sale with TBG Capital Inc.;
(5) The Property Option Agreement with Jescorp Capital Inc.;
(6) Letter of intent with Hole One Holdings Ltd.;
(7) The Property Option Agreement with Jescorp Capital Inc.; and
(8) The Stock Option Plan.

ARQ AFTER THE ARRANGEMENT

The following is a description of Arq assuming completion of the Arrangement.

Name, Address and Incorporation

Arq was incorporated as “Arq Investments Inc.” pursuant to the Act on January 12, 2014. Arq is currently a private company and a wholly-owned subsidiary of Vinergy. Arq's head office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its registered and records office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

Inter-corporate Relationships

Arq does not have any subsidiaries.

Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the Arrangement are provided under “The Arrangement”. The Arrangement, if successfully completed, will result in Arq holding the Property Option Agreement with Arq Investments Inc. and receiving funds necessary to acquire and develop the Arq Properties. The future operating results and financial position of Arq cannot be predicted. Shareholders may review the Vinergy and Arq unaudited *pro–forma* financial statements attached as Schedule “D” hereto.

Trends

See “Risk Factors”.

Other than as disclosed in this Circular, Arq is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of Arq's Business

Arq was incorporated on January 12, 2014 and has not yet commenced commercial operations. Arq will acquire the Property Option Agreement with Arq Investments Inc. from Vinergy as part of the Arrangement, and will commence operations as a mineral exploration and development company. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Arq, and the Court.

Arq's Business History

The Board of Vinergy has determined that it would be in the best interests of the Company to focus on developing the Property Option Agreement with Arq Investments Inc., while at the same time retaining its shareholders' interest in the Arq Properties by transferring its interest to Arq pursuant to the Arrangement Agreement, in exchange for Arq Shares that would be distributed to the Vinergy Shareholders.

Pursuant to the Arrangement, Vinergy will transfer to Arq all of Vinergy's interest in the Property Option Agreement with Arq Investments Inc. in consideration for 26,333,330 Arq Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Arq Share for each Vinergy Share held. Arq will need to raise funds in order to obtain the capital necessary to meet its commitments under the Property Option Agreement with Arq Investments Inc. and to pay for salaries, for general and administrative expenses and for working capital purposes. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Arq, the Court and the Exchange.

Selected Unaudited Pro–Forma Financial Information of Arq

Arq was incorporated on January 12, 2014. Arq has not yet conducted any commercial operations. The following is a summary of certain financial information on a *pro–forma* basis for Arq as at November 30, 2013, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited *pro–forma* balance sheet of Arq appended to this Circular as Schedule "D". This unaudited *pro–forma* balance sheet was prepared as if the Arrangement had occurred on November 30, 2013, taking into account the assumptions stated therein. The unaudited *pro–forma* balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on November 30, 2013. In addition, the unaudited *pro–forma* balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	***Pro–forma* Financial Information of Arq as at November 30, 2013** (unaudited)
Cash	$ 5,000
Property Option Agreement with Arq Investments Inc.	Nil
Shareholders' Equity	$ 5,000
Number of issued Arq Shares	26,333,330

Dividends

Arq does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Arq Shares in the future will be made by the board of directors of Arq on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of Arq

General

Arq is not carrying on any business at the present time. On completion of the Arrangement, Arq will commence its business as a junior mineral exploration and development company. The objectives of Arq's management will be to raise equity funds to develop the Property Option Agreement with Arq Investments Inc.

Business of Arq Following the Arrangement

Arq is not carrying on any business at the present time. On completion of the Arrangement, Arq will commence its business as a junior mineral exploration and development company. The objectives of Arq's management will be to raise equity funds to acquire a 50% working interest in the Arq Properties pursuant to the Property Option Agreement with Arq Investments Inc. dated January 3, 2014, and described below:

Southern Ontario Mining Division 70 – Claim 1500091 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500092 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500093 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500094 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500095 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500096 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500097 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500098 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500099 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500100 – Township: Maria (G-1387) – Claim Units 2

Arq will also evaluate and may acquire additional interests in other mineral properties from time to time.

Liquidity and Capital Resources

Pursuant to the Arrangement, Vinergy will transfer to Arq all of Vinergy's interest in the Property Option Agreement with Arq Investments Inc. in consideration for 26,333,330 Arq Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Arq Share for each Vinergy Share held.

Arq is a start-up junior mineral exploration and development company and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, Arq's ability to conduct operations, including the development of the Arq Properties, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that Arq will be able to do so.

See "Selected Unaudited *Pro–forma* Financial Information" for information concerning the financial assets of Arq resulting from the Arrangement.

Results of Operations

Arq has not carried out any commercial operations to date.

Available Funds

Pursuant to the Arrangement, Vinergy will transfer to Arq all of Vinergy's interest in the Property Option Agreement with Arq Investments Inc. in consideration for 26,333,330 Arq Class A Preferred Shares multiplied by the Conversion Factor.

The estimated unaudited pro–forma working capital of Arq at November 30, 2013 is approximately $100, which will be available to Arq upon completion of the Arrangement.

Share Capital of Arq

The following table represents the share capitalization of Arq as at November 30, 2013, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	100[(1)]	26,333,330[(2)]

NOTES:
(1) One hundred common shares of Arq were issued on incorporation and will be redeemed and cancelled by the Company concurrent with the completion of the Arrangement.
(2) After multiplication by the Conversion Factor.

Arq is authorized to issue an unlimited number of common shares without par value, of which approximately 26,333,330 common shares (after multiplication by the Conversion Factor) will be issued and outstanding following completion of the Arrangement.

Common Shares

Arq is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of Arq and, upon liquidation, to share equally in such assets of Arq as are distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Fully Diluted Share Capital of Arq

The *pro–forma* fully diluted share capital of Arq, assuming completion of the Arrangement and the exercise of all Vinergy Share Commitments, is set out below:

Designation of Arq Securities	Number of Arq Shares	Percentage of Total
Subscriber's shares issued on incorporation[(1)]	100	0.00%
Arq Shares issued in exchange for the Property Option Agreement with Arq Investments Inc., which shares will be distributed to the Vinergy Shareholders[(2)]	26,333,330	100%
Arq Shares to be issued pursuant to the Arq Commitment..............................	0	0%
Total..	**26,333,330**	**100%**

NOTES:
(1) One hundred common shares of Arq were issued to Vinergy on incorporation and will be redeemed and cancelled concurrent with the completion of the Arrangement.
(2) After multiplication by the Conversion Factor.

Prior Sales of Securities of Arq

Arq issued one hundred common shares to Vinergy at a price of $1.00 per share on incorporation on January 12, 2014.

Options and Warrants

Stock Options

The Vinergy Shareholders will be asked at the Meeting to approve the Arq Option Plan. See "Approval of the Arq Stock Option Plan". As of the Effective Date, assuming approval of the Arq Option Plan by the Vinergy Shareholders, there will be approximately 2,633,333 Arq Shares available for issuance under the Arq Option Plan. As of the date of this Circular, Arq has not granted any options under the Arq Option Plan.

Convertible Securities

The following convertible securities of Arq will be outstanding as of the Effective Date.

Designation of Security	Date of Expiry	No. of Common Shares issuable upon exercise	Exercise Price[2]
Arq Commitment	Various	0	0

Principal Shareholders of Arq

To the knowledge of the directors and executive officers of Arq, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Arq Shares carrying more than 10% of the voting rights attached to all outstanding Arq Shares, other than Randy, who owns 5,000,000 Arq Shares, representing 18.99% of the currently issued and outstanding Arq Shares.

Directors and Officers of Arq

The following table sets out the names of the current and proposed directors and officers of Arq, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of Arq, and the number and percentage of Arq Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

Name, Province and Country of Residence	Principal Occupation or Employment During the Past 5 Years	Proposed Position(s) with Arq	Director/ Officer of the Company Since	Number of Securities Beneficially Owned or over which Control or Direction is Exercised
GLEN MACDONALD[2] British Columbia, Canada Director	Self-employed consulting geologist	Chief Executive Officer and Chief Financial Officer	Since November 30, 2009	5,000,000

NOTES:

Mr. Macdonald is presently the only member of Arq's Audit Committee. Arq has not established a Compensation Committee.

Management of Arq

The following is a description of the individuals who will be directors and officers of Arq following the completion of the Arrangement:

Glen Macdonald is a self-employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, promoter or other member of management of Arq is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member

of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Glen Macdonald was a director of Corniche Capital Ltd. (“Corniche”) when it was halted by the TSX Venture Exchange (“TSXV”) on August 4, 1999 and on October 5, 1999 for failure to complete a major transaction within the required time. Corniche was reorganized as Printlux.com, Inc. and on August 23, 2001 it completed its major transaction. Mr. Macdonald resigned as a director in August 2001 as part of this reorganization.

Mr. Macdonald has been a director of AVC Venture Corp. (“AVC”) since November 1999. On November 25, 2002, AVC was halted by the TSXV for failure to complete a major transaction within the required time. Trading was reinstated on December 15, 2003. AVC was again halted on June 6, 2006 for failure to complete a major transaction. This halt remains in effect.

Mr. Macdonald has been a director of Dynamic Resources Corp. (“Dynamic”) since September 1993. On May 1, 2009, a management cease trade order was issued against the securities of Dynamic held by Glen Macdonald for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired as of July 10, 2009.

Mr. Macdonald has been a director of Maxim Resources Inc. (“Maxim”) since May 2002. On May 4, 2009, a cease trade order was issued against Maxim for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired August 4, 2009.

Penalties or Sanctions

No director, officer, promoter or other member of management of Arq has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

No director, officer, promoter or other member of management of Arq has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of Arq are required by law to act honestly and in good faith with a view to the best interest of Arq and to disclose any interests which they may have in any project or opportunity of Arq. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Arq will participate in any project or opportunity, that director will primarily consider the degree of risk to which Arq may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Arq and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Executive Compensation of Arq

The executive officers of Arq (the “**Executive Officers**”) are:

Glen Macdonald – Chief Executive Officer

Glen Macdonald – Chief Financial Officer

Arq does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Arq.

Indebtedness of Directors and Executive Officers of Arq

No individual who is, or at any time from the date of Arq's incorporation to the date hereof was a director or executive officer of Arq, or an associate or affiliate of such an individual, is or has been indebted to Arq.

Arq's Auditor

A Chan and Company LLP, Chartered Accountants, are the auditors of Arq.

Arq's Material Contracts

The following are the contracts which are material to Arq:

1. the Arrangement Agreement;
2. the Arq Option Plan.

The material contracts described above may be inspected at the registered office of Arq at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

Promoters

The Company is the promoter of Arq.

BC0990756 AFTER THE ARRANGEMENT

The following is a description of BC0990756 assuming completion of the Arrangement.

Name, Address and Incorporation

BC0990756 was incorporated as 0990756 B.C. Ltd. pursuant to the Act on January 12, 2014. BC0990756 is currently a private company and a wholly-owned subsidiary of Vinergy. BC0990756's head office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its registered and records office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

Inter-corporate Relationships

BC0990756 does not have any subsidiaries.

Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the Arrangement are provided under "The Arrangement". The Arrangement, if successfully completed, will result in BC0990756 holding the Contract of Purchase and Sale with TBG Capital Inc. and receiving funds necessary to acquire the property legally described as Lot A, Block 18, Plan 9321185, Sec 3 SW QTR, TWP 50 RNG 22 MER 4, Leduc City, Alberta. The future operating results and financial position of BC0990756 cannot be predicted. Shareholders may review the Vinergy and BC0990756 unaudited *pro–forma* financial statements attached as Schedule "D" hereto.

Trends

See "Risk Factors".

Other than as disclosed in this Circular, BC0990756 is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of BC0990756's Business

BC0990756 was incorporated on January 12, 2014 and has not yet commenced commercial operations. BC0990756 will acquire the Contract of Purchase and Sale with TBG Capital Inc., from Vinergy as part of the Arrangement, and will commence operations as a real estate development company. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, BC0990756, and the Court.

BC0990756's Business History

The Board of Vinergy has determined that it would be in the best interests of the Company to focus on exploring and developing the Nipisi oil & gas assets, while at the same time retaining its shareholders' interest in its Contract of Purchase and Sale with TBG Capital Inc. by transferring its interest to BC0990756 pursuant to the Arrangement Agreement, in exchange for BC0990756 Shares that would be distributed to the Vinergy Shareholders.

Pursuant to the Arrangement, Vinergy will transfer to BC0990756 all of Vinergy's interest in the Contract of Purchase and Sale with TBG Capital Inc. in consideration for 26,333,330 BC0990756 Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one BC0990756 Share for each Vinergy Share held. BC0990756 will need to raise funds in order to obtain the capital necessary to meet its commitments under the Contract of Purchase and Sale with TBG Capital Inc. and to pay for salaries, for general and administrative expenses and for working capital purposes. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, BC0990756, the Court and the Exchange.

Selected Unaudited Pro–Forma Financial Information of BC0990756

BC0990756 was incorporated on January 12, 2014. BC0990756 has not yet conducted any commercial operations. The following is a summary of certain financial information on a *pro–forma* basis for BC0990756 as at November 30, 2013, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited *pro–forma* balance sheet of BC0990756 appended to this Circular as Schedule "D". This unaudited *pro–forma* balance sheet was prepared as if the Arrangement had occurred on November 30, 2013, taking into account the assumptions stated therein. The unaudited *pro–forma* balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on November 30, 2013. In addition, the unaudited *pro–forma* balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	***Pro–forma* Financial Information of BC0990756 as at November 30, 2013** (unaudited)
Cash	$ 5,000
Contract of Purchase and Sale with TBG Capital Inc.	Nil
Shareholders' Equity	$ 5,000
Number of issued BC0990756 Shares	26,333,330

Dividends

BC0990756 does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the BC0990756 Shares in the future will be made by the board of directors of BC0990756 on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of BC0990756

General

BC0990756 is not carrying on any business at the present time. On completion of the Arrangement, BC0990756 will commence its business as a real estate development company. The objectives of BC0990756's management will be to raise equity funds to develop the Contract of Purchase and Sale with TBG Capital Inc.

Business of BC0990756 Following the Arrangement

BC0990756 is not carrying on any business at the present time. On completion of the Arrangement, BC0990756 will commence its business as a real estate development company. The objectives of BC0990756's management will be to raise equity funds to acquire and develop the property located at 22246 Township Road, Leduc City, Alberta. Pursuant to a Contract of Purchase and Sale with TBG Capital Inc. dated November 29, 2013, BC0990756 will acquire, develop, and sell commercial and residential properties.

BC0990756 will also evaluate and may acquire additional licenses from time to time.

Liquidity and Capital Resources

Pursuant to the Arrangement, Vinergy will transfer to BC0990756 all of Vinergy's interest in the Contract of Purchase and Sale with TBG Capital Inc. in consideration for 26,333,330 BC0990756 Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one BC0990756 Share for each Vinergy Share held.

BC0990756 is a start-up real estate development company and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, BC0990756's ability to conduct operations, including the acquisition and development of its commercial and residential real estate business, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that BC0990756 will be able to do so.

See "Selected Unaudited *Pro–forma* Financial Information" for information concerning the financial assets of BC0990756 resulting from the Arrangement.

Results of Operations

BC0990756 has not carried out any commercial operations to date.

Available Funds

Pursuant to the Arrangement, Vinergy will transfer to BC0990756 all of Vinergy's interest in the Contract of Purchase and Sale with TBG Capital Inc. in consideration for 26,333,330 BC0990756 Class A Preferred Shares multiplied by the Conversion Factor.

The estimated unaudited pro–forma working capital of BC0990756 at November 30, 2013 is approximately $100, which will be available to BC0990756 upon completion of the Arrangement.

Share Capital of BC0990756

The following table represents the share capitalization of BC0990756 as at November 30, 2013, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	100(1)	26,333,330(2)

NOTES:
(1) One hundred common shares of BC0990756 were issued on incorporation and will be redeemed and cancelled by the Company concurrent with the completion of the Arrangement.
(2) After multiplication by the Conversion Factor.

BC0990756 is authorized to issue an unlimited number of common shares without par value, of which approximately 26,333,330 common shares (after multiplication by the Conversion Factor) will be issued and outstanding following completion of the Arrangement.

Common Shares

BC0990756 is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of BC0990756 and, upon liquidation, to share equally in such assets of BC0990756 as are distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Fully Diluted Share Capital of BC0990756

The *pro–forma* fully diluted share capital of BC0990756, assuming completion of the Arrangement and the exercise of all Vinergy Share Commitments, is set out below:

Designation of BC0990756 Securities	Number of BC0990756 Shares	Percentage of Total
Subscriber's shares issued on incorporation(1)	100	0.00%
BC0990756 Shares issued in exchange for the Contract of Purchase and Sale with TBG Capital Inc., which shares will be distributed to the Vinergy Shareholders(2)...	26,333,330	100%
BC0990756 Shares to be issued pursuant to the BC0990756 Commitment..	0	0%
Total...	**26,333,330**	**100%**

NOTES:
(1) One hundred common shares of BC0990756 were issued to Vinergy on incorporation and will be redeemed and cancelled concurrent with the completion of the Arrangement.
(2) After multiplication by the Conversion Factor.

Prior Sales of Securities of BC0990756

BC0990756 issued one hundred common shares to Vinergy at a price of $1.00 per share on incorporation on January 12, 2014.

Options and Warrants

Stock Options

The Vinregy Shareholders will be asked at the Meeting to approve the BC0990756 Option Plan. See "Approval of the BC0990756 Stock Option Plan". As of the Effective Date, assuming approval of the BC0990756 Option Plan by the Vinergy Shareholders, there will be approximately 2,633,333 BC0990756 Shares available for issuance under

the BC0990756 Option Plan. As of the date of this Circular, BC0990756 has not granted any options under the BC0990756 Option Plan.

Convertible Securities

The following convertible securities of BC0990756 will be outstanding as of the Effective Date.

Designation of Security	Date of Expiry	No. of Common Shares issuable upon exercise	Exercise Price(2)
BC0990756 Commitment	Various	0	0

Principal Shareholders of BC0990756

To the knowledge of the directors and executive officers of BC0990756, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, BC0990756 Shares carrying more than 10% of the voting rights attached to all outstanding BC0990756 Shares, other than Randy Clifford, who owns 5,000,000 BC0990756 Shares, representing 18.99% of the currently issued and outstanding BC0990756 Shares.

Directors and Officers of BC0990756

The following table sets out the names of the current and proposed directors and officers of BC0990756, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of BC0990756, and the number and percentage of BC0990756 Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

Name, Province and Country of Residence	Principal Occupation or Employment During the Past 5 Years	Proposed Position(s) with BC0990756	Director/ Officer of the Company Since	Number of Securities Beneficially Owned or over which Control or Direction is Exercised
GLEN MACDONALD(2) British Columbia, Canada Director	Self-employed consulting geologist	Chief Executive Officer and Chief Financial Officer	Since November 30, 2009	5,000,000

NOTES:
Glen Macdonald is presently the only member of BC0990756's Audit Committee. BC0990756 has not established a Compensation Committee.

Management of BC0990756

The following is a description of the individuals who will be directors and officers of BC0990756 following the completion of the Arrangement:

Glen Macdonald is a self-employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, promoter or other member of management of BC0990756 is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Glen Macdonald was a director of Corniche Capital Ltd. ("Corniche") when it was halted by the TSX Venture Exchange ("TSXV") on August 4, 1999 and on October 5, 1999 for failure to complete a major transaction within the required time. Corniche was reorganized as Printlux.com, Inc. and on August 23, 2001 it completed its major transaction. Mr. Macdonald resigned as a director in August 2001 as part of this reorganization.

Mr. Macdonald has been a director of AVC Venture Corp. ("AVC") since November 1999. On November 25, 2002, AVC was halted by the TSXV for failure to complete a major transaction within the required time. Trading was reinstated on December 15, 2003. AVC was again halted on June 6, 2006 for failure to complete a major transaction. This halt remains in effect.

Mr. Macdonald has been a director of Dynamic Resources Corp. ("Dynamic") since September 1993. On May 1, 2009, a management cease trade order was issued against the securities of Dynamic held by Glen Macdonald for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired as of July 10, 2009.

Mr. Macdonald has been a director of Maxim Resources Inc. ("Maxim") since May 2002. On May 4, 2009, a cease trade order was issued against Maxim for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired August 4, 2009.

Penalties or Sanctions

No director, officer, promoter or other member of management of BC0990756 has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

No director, officer, promoter or other member of management of BC0990756 has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of BC0990756 are required by law to act honestly and in good faith with a view to the best interest of BC0990756 and to disclose any interests which they may have in any project or opportunity of BC0990756. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not BC0990756 will participate in any project or opportunity, that director will primarily consider the degree of risk to which BC0990756 may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among BC0990756 and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public

companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Executive Compensation of BC0990756

The executive officers of BC0990756 (the "**Executive Officers**") are:

Glen Macdonald – Chief Executive Officer

Glen Macdonald – Chief Financial Officer

BC0990756 does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of BC0990756.

Indebtedness of Directors and Executive Officers of BC0990756

No individual who is, or at any time from the date of BC0990756's incorporation to the date hereof was a director or executive officer of BC0990756 or an associate or affiliate of such an individual, is or has been indebted to BC0990756.

BC0990756's Auditor

A Chan and Company LLP, Chartered Accountants, are the auditors of BC0990756.

BC0990756's Material Contracts

The following are the contracts which are material to BC0990756:

1. the Arrangement Agreement;
2. the BC0990756 Option Plan.

The material contracts described above may be inspected at the registered office of BC0990756 at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

Promoters

The Company is the promoter of BC0990756.

JONPOL AFTER THE ARRANGEMENT

The following is a description of Jonpol assuming completion of the Arrangement.

Name, Address and Incorporation

Jonpol was incorporated as "Jonpol Rare Earths Inc." pursuant to the Act on January 12, 2014. Jonpol is currently a private company and a wholly-owned subsidiary of Vinergy. Jonpol's head office is located at 846 Field Crescent, Parksville, British Columbia, V9P 2N8, and its registered and records office is located at 846 Field Crescent, Parksville, British Columbia, V9P 2N8.

Inter-corporate Relationships

Jonpol does not have any subsidiaries.

Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the

Arrangement are provided under "The Arrangement". The Arrangement, if successfully completed, will result in Jonpol holding the Property Option Agreement with Jescorp Capital Inc. and receiving funds necessary to commence exploration and development of the Hyman Properties in the province of Ontario. The future operating results and financial position of Jonpol cannot be predicted. Shareholders may review the Vinergy and Jonpol unaudited *pro–forma* financial statements attached as Schedule "D" hereto.

Trends

See "Risk Factors".

Other than as disclosed in this Circular, Jonpol is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of Jonpol's Business

Jonpol was incorporated on January 12, 2014 and has not yet commenced commercial operations. Jonpol will acquire the Property Option Agreement with Jescorp Capital Inc. from Vinergy as part of the Arrangement, and will commence operations as a mineral exploration and development company. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Jonpol, and the Court.

Jonpol's Business History

The Board of Vinergy has determined that it would be in the best interests of the Company to focus on exploring and developing the Nipisi oil & gas assets, while at the same time retaining its shareholders' interest in its Property Option Agreement with Jescorp Capital Inc. by transferring its interest to Jonpol pursuant to the Arrangement Agreement, in exchange for Jonpol Shares that would be distributed to the Vinergy Shareholders.

Pursuant to the Arrangement, Vinergy will transfer to Jonpol all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. in consideration for 26,333,330 Jonpol Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Jonpol Share for each Vinergy Share held. Jonpol will need to raise funds in order to obtain the capital necessary to meet its commitments under the Property Option Agreement with Jescorp Capital Inc. and to pay for salaries, for general and administrative expenses and for working capital purposes. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Jonpol, the Court and the Exchange.

NARRATIVE DESCRIPTION OF THE BUSINESS OF JONPOL

Technical Report – HPU Property

The following information regarding the property has been summarized from a technical report entitled "Technical Report NI 43-101 on the HPU Property, Hyman and Porter Townships, District of Sudbury, Ontario", dated January 9, 2014, and prepared by Robert G. Komarechka, P.Geo, ("Mr. Komarechka" or the "author") of Bedrock Research Corp. and should be read in conjunction with this Circular. Mr. Komarechka is an independent Qualified Person as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Company during normal business hours.

The author of the Technical Report has obtained and reviewed various reports concerning past exploration work conducted on the property which were not prepared in accordance with NI 43-101. The following technical information has been taken from these reports; however, the author has not completed sufficient work to verify the accuracy of this historical information. Accordingly, readers should use caution when considering this information and should not rely upon the accuracy of such information.

Summary

The Hyman Porter Uranium Property (HPU Property) of GTO Resources Inc. (previously referred to herein as being held by "Firebird", "Falcon Ventures Inc.," or "Falcon Ventures International Inc.", "the Company") is an early stage exploration property located approximately 50 kilometres west of Sudbury, Ontario. The property is located in the Sudbury Mining Division, District of Sudbury at -81.69°W longitude and 46.42°N Longitude (NTS Map 41-I/14) or in NAD83 co-ordinates Zone 17 446858m E, 5141763m N.

The property consists of 5 contiguous unpatented, unleased mining claims composed of 70 claim units covering approximately 1,120 hectares in Hyman and Porter Townships. By an agreement ("the Agreement") dated January 20, 2005, as amended, the Company has the exclusive right to acquire a 100% interest in the HPU Property subject to certain conditions involving cash payments, exploration expenditures and the issuance of shares. As of the date of the technical report all terms have been met and the Agreement is in good standing, subject to the payment of annual advance royalties of at least $12,000 to the Vendor regardless of any production or not commencing on or before 28 January 2012. The royalty to the Vendor is for $0.20/lb of uranium produced from the HPU property and/or a second property to a maximum of $1,200,000. The royalty can be bought at any time. An area of mutual interest exists inclusive of the optioned claims and having a radius of one mile around the perimeter of the claims.

The HPU Property is underlain by Archean granitic rocks of the Superior Province unconformably overlain by Proterozoic Huronian metasediments intruded with Nipissing Gabbro sills. Later diabase dykes intrude the earlier Archean and Proterozoic rocks. Anomalous uranium mineralization has been reported near the Archean-Paleoproterozoic unconformity. The uranium mineralization occurs within the Paleoproterozoic metasediments, primarily within pyritiferous argillite, oligiomictic quartz pebble paraconglomerate and polymictic paraconglomerate paleoplacer deposits that were formed in braided stream channels on the Archean basement erosional surface. This situation occurs in the Matinenda and Mississauga formations. Anomalous uranium mineralization has also been found within thin east-west shear zones. Uraniferous conglomerates of the Matinenda Formation, the same age formation as the previously mined deposits of Elliot Lake, were mined from the Agnew Lake Property located 1.8 km to the east outside of the HPU property.

Rare earth element (REE) mineralization is intimately associated with the uranium mineralization in Hyman and Porter townships. On the adjacent Agnew Lake Property, within the Matinenda Formation, the principal uranium bearing mineral of the Agnew Lake ore is uranothorite which occurs in quartz sericite conglomerates. In addition to uranothorite, some brannerite, monazite also occur. Generally Agnew Lake ores contain more thorium than uranium and have a ThO_2/U_3O_8 ratio of 3:1. In any mill or concentrator the REE report in the acid leach solutions with the uranium.

Several known uranium occurrences are found within the Mississagi Formation on the HPU claims with associated anomalous historic assay values. These are recorded in the Mineral Deposit Inventory (MDI) records of the Ontario Ministry of Northern Development and Mines as being on the HPU Property, these being the Richore (Rose) Occurrence (0.08% to 1.00% U_3O_8), the Pennbec Occurrence, the New Mylamaque (0.018% to 0.02% U_3O_8) and the Brewis Occurrence (0.01% to 0.02% U_3O_8).

Anomalous uranium assays have also been recorded on the property by GTO Resources Inc. The highest being 583 ppm U or 0.063% U_3O_8 in sample number 51208. Additional uranium occurrences are also found in the area, outside the property, mostly within rocks of the Mississagi and Matinenda Formations near the unconformable Archean-Paleoproterozoic contact. Anomalous uranium has also been recorded in shear zones within the granitic Birch Lake Batholith to the north and in fractures within Huronian rocks overlying the Mississagi and Matinenda conglomerates

> Note: All resource estimates presented in this report are historical and were prepared before the introduction of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). These resource estimates may not be relied upon until they are confirmed using methods and standards that comply with those required by NI 43-101. The potential for the exploration target to replicate the historical resource, or to reach the indicated range of tonnages, is conceptual and is based on historical reports, which cite approximately lengths, widths, depths, grades and projections of the historical resource. Readers are cautioned that a qualified person has not completed sufficient exploration, test work or examination of past work to define a resource that is currently compliant with NI 43-101. The Company further cautions that there is a risk that exploration and test work will not result in the delineation of such a currently compliant resource. Neither the Company nor its personnel treat the historical resource estimate or the historical data as defining a current mineral resource, as defined under NI 43-101, nor do they rely upon the estimate or

the data for evaluation purposes; however, these data are considered relevant and will be used to guide exploration as the Company develops new data to support a current mineral/resource estimate in accordance with the requirements of NI 43-101.

Over the past few years, the use of rare earth elements (REE) in various aspects of modern technology has increased significantly. China has been producing approximately 95% of the world's supply and on 1 September 2009 China announced that it would reduce its export quota by about 70% to 35,000 tonnes per year for the period 2010-2015 so as to protect the environment and to conserve scarce resources for domestic use. This, coupled with the increasing demand, has resulted in significant price increases for several of the REEs.

The Elliot Lake area, located 73 km. to the west of the HPU property, is the type area for the Ontario, Paleoproterozoic sediment-hosted uranium deposits, with REEs associated with the uranium mineralization. East of Elliot Lake, (62 Km west from the HPU Property) Pele Mountain Resources Inc. is developing their Eco Ridge Mine project. In their main conglomerate bed, within the Matinenda Formation, they are reporting the full range of REE plus yttrium associated with the uranium mineralization. Pele also reports that leaching tests show that over 60% of the REE are available in the uranium leach solutions and that the REE have been successfully recovered commercially in the past from the leach solutions.

Recent sampling by GTO Exploration Inc. on the HPU Property has indicated the presence of REE associated with the airborne anomalies and anomalous uranium mineralization. At this time the highest value of 6,665.75ppm TREE (less scandium and promethium) was obtained from sample 51208 described as a gray arkosic quartzite with black coated fractures. This sample assayed: 1,640 ppm La, 3,070 ppm Ce, 334 ppm Pr, 1,090 ppm Nd, 159 Sm, 7.56 ppm Eu, 117 ppm Gd, 12.2 ppm Tb, 54.7ppm Dy, 117ppm, 7.59 ppm Ho, 15.3 ppm Er, 2.31 ppm Tm, 10.7 ppm Yb, 1.39 ppm Lu, 144 ppm Y, 1776 ppm Th. The next highest reading of 5,066.66ppm TREE (less scandium and promethium) was obtained from sample 688646 described as a polymictic conglomerate with granitic fragments. Other anomalies still remain to be examined on the property. Note that the above REE analysis undertaken were not all inclusive of the complete rare earth suite. These samples were analyzed by AGAT Laboratories using their Analysis No. 201078-Lithium Borate Fusion, ICPMS Finish. Summation of all oxides and analysis No. 201076 Lithium Borate Fusion, ICP-OES finish was also undertaken. Structural folding and faulting add to the complexity of the continuity of mineralization in the areas so far examined.

Previous work on the Property mainly took place starting in the 1950's through to the 1980's. Thereafter decreased demand for uranium resulted in significant price drops. During this 30 year period, work on the subject property consisted of geological mapping, prospecting, sampling, soil geochemical surveys, geophysical surveys, and diamond drilling. With the increase in the price of uranium starting in 2007 there was renewed interest in the Property and ground and airborne geophysical surveys, prospecting, geological mapping, stripping and sampling were carried out by the Company and its predecessor companies.

The model for uranium mineralization with associated REE of economic interest on the Property is a Proterozoic pyritic paleoplacer type associated with early pre-oxygenated Proterozoic quartz pebble oligiomictic conglomerate. These conditions exist in both in the Matinenda and Mississaga formations which occur on the property. The potential for REE mineralization also exists along North-South striking alkalic dikes and breccia units noted in the area and believed to be associated with the Spanish River Carbonatite event. Recently paleoplacer gold up to 18.35 grams per tonne has been found in pyritic Paleoproterozoic basal conglomerates (Mississagi Fm.) in Pardo Township about 76 kilometres to the east of GTO Resources Inc.'s HPU Property. A grab sample of pyritiferous quartz pebble conglomerate found at the Richmore North Occurrence recently collected by GTO assayed 0.44 g/t Au. The potential for gold within the basal conglomerates of the HPU Property requires further investigation.

The Property is at an early stage of evaluation and has potential for both Uranium and associated Rare Earths. The recommended exploration program consists of localized detailed ground radiometric surveys, stripping, localized mapping and sampling with an initial drilling program to test radiometric targets of interest and to provide geological and mineralization information as the basis for further work as warranted.

A recommended phase 1 exploration program budgeted at $274,443 and a tentative phase 2 diamond drill program of 2,000 metres budgeted at $777,248 is proposed, the total budget for both being $1,051,691.

Selected Unaudited Pro–Forma Financial Information of Jonpol

Jonpol was incorporated on January 12, 2014. Jonpol has not yet conducted any commercial operations. The following is a summary of certain financial information on a *pro–forma* basis for Jonpol as at November 30, 2013, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited *pro–forma* balance sheet of Jonpol appended to this Circular as Schedule "D". This unaudited *pro–forma* balance sheet was prepared as if the Arrangement had occurred on November 30, 2013, taking into account the assumptions stated therein. The unaudited *pro–forma* balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on November 30, 2013. In addition, the unaudited *pro–forma* balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	***Pro–forma* Financial Information of Jonpol as at November 30 2013** (unaudited)
Cash	$ 5,000
Property Option Agreement with Jescorp Capital Inc.	Nil
Shareholders' Equity	$ 5,000
Number of issued Jonpol Shares	26,333,330

Dividends

Jonpol does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Jonpol Shares in the future will be made by the board of directors of Jonpol on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of Jonpol

General

Jonpol is not carrying on any business at the present time. On completion of the Arrangement, Jonpol will commence its business as a mineral exploration and development company. The objectives of Jonpol's management will be to raise equity funds to develop the Property Option Agreement with Jescorp Capital Inc.

Business of Jonpol Following the Arrangement

Jonpol is not carrying on any business at the present time. On completion of the Arrangement, Jonpol will commence its business as a junior mineral exploration and development company. The objectives of Jonpol's management will be to raise equity funds to acquire a 50% working interest in the Hyman Properties pursuant to the Property Option Agreement with Jescorp Capital Inc. dated January 6, 2014, and described below:

Sudbury Division 70 – Claim S4254057 – Township: Hyman (G-2966) – Claim Units 16
Sudbury Division 70 – Claim S4254056 – Township: Hyman (G-2966) – Claim Units 16
Sudbury Division 70 – Claim S4203204 – Township: Porter (G-2865) – Claim Units 8
Sudbury Division 70 – Claim S4203205 – Township: Porter (G-2865) – Claim Units 15
Sudbury Division 70 – Claim S4203206 – Township: Porter (G-2865) – Claim Units 15

Jonpol will also evaluate and may acquire additional mineral properties from time to time.

Liquidity and Capital Resources

Pursuant to the Arrangement, Vinergy will transfer to Jonpol all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. in consideration for 26,333,330 Jonpol Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Jonpol Share for each Vinergy Share held.

Jonpol is a start-up mineral exploration and development company and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, Jonpol's ability to conduct operations, including the exploration and development of the Hyman Properties, is based on its current cash

and its ability to raise funds, primarily from equity sources, and there can be no assurance that Jonpol will be able to do so.

See "Selected Unaudited *Pro–forma* Financial Information" for information concerning the financial assets of Jonpol resulting from the Arrangement.

Results of Operations

Jonpol has not carried out any commercial operations to date.

Available Funds

Pursuant to the Arrangement, Vinergy will transfer to Jonpol all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. in consideration for 26,333,330 Jonpol Class A Preferred Shares multiplied by the Conversion Factor.

The estimated unaudited pro–forma working capital of Jonpol at November 30, 2013 is approximately $100, which will be available to Jonpol upon completion of the Arrangement.

Share Capital of Jonpol

The following table represents the share capitalization of Jonpol as at November 30, 2013, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	100(1)	26,333,330(2)

NOTES:

(1) One hundred common shares of Jonpol were issued on incorporation and will be redeemed and cancelled by the Company concurrent with the completion of the Arrangement.

(2) After multiplication by the Conversion Factor.

Jonpol is authorized to issue an unlimited number of common shares without par value, of which approximately 26,333,330 common shares (after multiplication by the Conversion Factor) will be issued and outstanding following completion of the Arrangement.

Common Shares

Jonpol is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of Jonpol and, upon liquidation, to share equally in such assets of Jonpol as are distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Fully Diluted Share Capital of Jonpol

The *pro–forma* fully diluted share capital of Jonpol, assuming completion of the Arrangement and the exercise of all Vinergy Share Commitments, is set out below:

Designation of Jonpol Securities	Number of Jonpol Shares	Percentage of Total
Subscriber's shares issued on incorporation[1]	100	0.00%
Jonpol Shares issued in exchange for the Property Option Agreement with Jescorp Capital Inc., which shares will be distributed to the Vinergy Shareholders[2]	26,333,330	100%
Jonpol Shares to be issued pursuant to the Jonpol Commitment....................	0	0%
Total...	**26,333,330**	**100%**

NOTES:

(1) One hundred common shares of Jonpol were issued to Vinergy on incorporation and will be redeemed and cancelled concurrent with the completion of the Arrangement.

(2) After multiplication by the Conversion Factor.

Prior Sales of Securities of Jonpol

Jonpol issued one hundred common shares to Vinergy at a price of $1.00 per share on incorporation on January 12, 2014.

Options and Warrants

Stock Options

The Vinergy Shareholders will be asked at the Meeting to approve the Jonpol Option Plan. See “Approval of the Jonpol Stock Option Plan”. As of the Effective Date, assuming approval of the Jonpol Option Plan by the Vinergy Shareholders, there will be approximately 2,633,333 Jonpol Shares available for issuance under the Jonpol Option Plan. As of the date of this Circular, Jonpol has not granted any options under the Jonpol Option Plan.

Convertible Securities

The following convertible securities of Jonpol will be outstanding as of the Effective Date.

Designation of Security	Date of Expiry	No. of Common Shares issuable upon exercise	Exercise Price[2]
Jonpol Commitment	Various	0	0

Principal Shareholders of Jonpol

To the knowledge of the directors and executive officers of Jonpol, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Jonpol Shares carrying more than 10% of the voting rights attached to all outstanding Jonpol Shares, other than Randy Clifford, who owns 5,000,000 Jonpol Shares, representing 18.99% of the currently issued and outstanding Jonpol Shares.

Directors and Officers of Jonpol

The following table sets out the names of the current and proposed directors and officers of Jonpol, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of Jonpol, and the number and percentage of Jonpol Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

Name, Province and Country of Residence	Principal Occupation or Employment During the Past 5 Years	Proposed Position(s) with Jonpol	Director/ Officer of the Company Since	Number of Securities Beneficially Owned or over which Control or Direction is Exercised
MICHAEL WILSON Parksville, BC Director	Since 1996, self-employed consultant for private companies in need of assistance identifying and introducing geologists, investment bankers, legal and accounting professional	CEO and CFO	Proposed nominee	Nil

NOTES:
Michael Wilson is the only member of Jonpol's Audit Committee. Jonpol has not established a Compensation Committee.

Management of Jonpol

The following is a description of the individuals who will be directors and officers of Jonpol following the completion of the Arrangement:

Michael W. Wilson (age 68), Director.
Since 1996 Mr. Wilson has worked as a self-employed consultant for private companies in need of assistance identifying and introducing geologists, investment bankers, legal and accounting professional to their companies. Mr. Wilson served as a director of Excelsior Mining Corp., which is a TSX Venture Exchange listed company, between 2006 and 2010. Since 2005 Mr. Wilson has been a director and officer of Razore Rock Resources Inc. (formerly Edda Resources Inc.), a reporting issuer on the CS Exchange. Mr. Wilson currently holds a position of director with Yorkton Ventures Inc., a TSX Venture Exchange listed junior oil & gas issuer.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, promoter or other member of management of Jonpol is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Mr. Wilson was a director of Lima Gold Corporation (now Crosshair Exploration and Mining Corp.) when, on February 10, 1999, it was the subject of a cease trade order for failure to file financial statements. The cease trade order was rescinded on April 14, 1999. At the time of the cease trade order, Lima Gold Corporation did not have an active business and was undergoing an extensive reorganization. Mr. Wilson is a director of Excelsior Mining Corp. which was suspended by the Exchange effective April 6, 2010 for failure to complete a qualifying transaction within the prescribed time. On May 18, 2010, Excelsior Mining Corp. closed its qualifying transaction and the common shares of the company were reinstated for trading.

Penalties or Sanctions

No director, officer, promoter or other member of management of Jonpol has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

No director, officer, promoter or other member of management of Jonpol has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any

legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of Jonpol are required by law to act honestly and in good faith with a view to the best interest of Jonpol and to disclose any interests which they may have in any project or opportunity of Jonpol. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Jonpol will participate in any project or opportunity, that director will primarily consider the degree of risk to which Jonpol may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Jonpol and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Executive Compensation of Jonpol

The executive officers of Jonpol (the "**Executive Officers**") are:

Michael Wilson – Chief Executive Officer

Michael Wilson – Chief Financial Officer

Jonpol does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Jonpol.

Indebtedness of Directors and Executive Officers of Jonpol

No individual who is, or at any time from the date of Jonpol's incorporation to the date hereof was a director or executive officer of Jonpol, or an associate or affiliate of such an individual, is or has been indebted to Jonpol.

Jonpol's Auditor

A Chan and Company LLP, Chartered Accountants, are the auditors of Jonpol.

Jonpol's Material Contracts

The following are the contracts which are material to Jonpol:

1. the Arrangement Agreement;
2. the Jonpol Option Plan.

The material contracts described above may be inspected at the registered office of Jonpol at 846 Field Crescent, Parksville, British Columbia, V9P 2N8, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

Promoters

The Company is the promoter of Jonpol.

LEUCADIA AFTER THE ARRANGEMENT

The following is a description of Leucadia assuming completion of the Arrangement.

Name, Address and Incorporation

Leucadia was incorporated as "Leucadia Finance Partners Inc." pursuant to the Act on January 12, 2014. Leucadia is currently a private company and a wholly-owned subsidiary of Vinergy. Leucadia's head office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its registered and records office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

Inter-corporate Relationships

Leucadia does not have any subsidiaries.

Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the Arrangement are provided under "The Arrangement". The Arrangement, if successfully completed, will result in Leucadia holding the business plan and receiving funds necessary to commence (1) establishing a portal based upon crowdfunding principles to both attract private businesses, entrepreneurs and inventors to post their business plan on Leucadia's website to attract investors and correspondingly establish a database of accredited investors that can access Leucadia's portal to review potential deals of interest; (2) providing assistance to entrepreneurs to access capital and/or reorganize their corporate structure in consideration of an equity participation; (3) securing minimum capital to both meet the Canadian Securities Exchange capital requirements of an Investment Issuer and to allow Leucadia to make investments directly in investee companies.. The future operating results and financial position of Leucadia cannot be predicted. Shareholders may review the Vinergy and Leucadia unaudited *pro–forma* financial statements attached as Schedule "D" hereto.

Trends

See "Risk Factors".

Other than as disclosed in this Circular, Leucadia is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of Leucadia's Business

Leucadia was incorporated on January 12, 2014 and has not yet commenced commercial operations. Leucadia will acquire the business plan from Vinergy as part of the Arrangement, and will commence operations as a corporate finance advisory company. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Leucadia, and the Court.

Leucadia's Business History

The Board of Vinergy has determined that it would be in the best interests of the Company to focus on exploring and developing the Nipisi oil & gas assets, while at the same time retaining its shareholders' interest in its business plan by transferring its interest to Leucadia pursuant to the Arrangement Agreement, in exchange for Leucadia Shares that would be distributed to the Vinergy Shareholders.

Pursuant to the Arrangement, Vinergy will transfer to Leucadia all of Vinergy's interest in the corporate finance business plan in consideration for 26,333,330 Leucadia Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Leucadia Share for each Vinergy Share held. Leucadia will need to raise funds in order to obtain the capital necessary to meet its objectives, to implement the business plan, and to pay for salaries, for general and administrative expenses and for working capital purposes. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Leucadia, the Court and the Exchange.

Selected Unaudited Pro–Forma Financial Information of Leucadia

Leucadia was incorporated on January 12, 2014. Leucadia has not yet conducted any commercial operations. The following is a summary of certain financial information on a *pro–forma* basis for Leucadia as at November 30, 2013, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited *pro–forma* balance sheet of Leucadia appended to this Circular as Schedule "D". This unaudited *pro–forma* balance sheet was prepared as if the Arrangement had occurred on November 30, 2013, taking into account the assumptions stated therein. The unaudited *pro–forma* balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on November 30, 2013. In addition, the unaudited *pro–forma* balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	***Pro–forma* Financial Information of Leucadia as at November 30, 2013** (unaudited)
Cash	$ 5,000
Corporate finance business plan	Nil
Shareholders' Equity	$ 5,000
Number of issued Leucadia Shares	26,333,330

Dividends

Leucadia does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Leucadia Shares in the future will be made by the board of directors of Leucadia on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of Leucadia

General

Leucadia is not carrying on any business at the present time. On completion of the Arrangement, Leucadia will commence its business as a corporate finance advisory company. The objectives of Leucadia's management will be to raise equity funds to implement and develop the strategies outlined in the corporate finance business plan.

Business of Leucadia Following the Arrangement

Leucadia is not carrying on any business at the present time. On completion of the Arrangement, Leucadia will commence its business as a corporate finance advisory company involved in three complimentary sectors in the merchant banking business: (1) establishing a portal based upon crowdfunding principles to both attract private businesses, entrepreneurs and inventors to post their business plan on Leucadia's website to attract investors and correspondingly establish a database of accredited investors that can access Leucadia's portal to review potential deals of interest; (2) provide assistance to entrepreneurs to access capital and/or reorganize their corporate structure in consideration of an equity participation; (3) secure minimum capital to both meet the Canadian Securities Exchange capital requirements of an Investment Issuer and to allow Leucadia to make investments directly in investee companies.. The objectives of Leucadia's management will be to either establish or acquire a platform. The platform is intended to be quite robust and provide significant tools for all participants, including the entrepreneur, the investor and the deal sponsor. Key elements of the platform include robust Client Relationship Management tools, legal/compliance, and post-deal investor relations and management capabilities. The platform also provides for localization, allowing for customizations on a market to market basis for language, currency and specific securities laws.

Leucadia will also evaluate and may acquire additional platforms from time to time.

Liquidity and Capital Resources

Pursuant to the Arrangement, Vinergy will transfer to Leucadia the business plan as developed by Vinergy in consideration for 26,333,330 Leucadia Class A Preferred Shares multiplied by the Conversion Factor, which shares

will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Leucadia Share for each Vinergy Share held.

Leucadia is a start-up corporate finance advisory company and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, Leucadia's ability to conduct operations, including the development of its business plan, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that Leucadia will be able to do so.

See "Selected Unaudited *Pro–forma* Financial Information" for information concerning the financial assets of Leucadia resulting from the Arrangement.

Results of Operations

Leucadia has not carried out any commercial operations to date.

Available Funds

Pursuant to the Arrangement, Vinergy will transfer to Leucadia the business plan developed by Vinergy in consideration for 26,333,330 Leucadia Class A Preferred Shares multiplied by the Conversion Factor.

The estimated unaudited pro–forma working capital of Leucadia at November 30, 2013 is approximately $100, which will be available to Leucadia upon completion of the Arrangement.

Share Capital of Leucadia

The following table represents the share capitalization of Leucadia as at November 30, 2013, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	100[(1)]	26,333,330[(2)]

NOTES:

(1) One hundred common shares of Leucadia were issued on incorporation and will be redeemed and cancelled by the Company concurrent with the completion of the Arrangement.
(2) After multiplication by the Conversion Factor.

Leucadia is authorized to issue an unlimited number of common shares without par value, of which approximately 26,333,330 common shares (after multiplication by the Conversion Factor) will be issued and outstanding following completion of the Arrangement.

Common Shares

Leucadia is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of Leucadia and, upon liquidation, to share equally in such assets of Leucadia as are distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Fully Diluted Share Capital of Leucadia

The *pro–forma* fully diluted share capital of Leucadia, assuming completion of the Arrangement and the exercise of all Vinergy Share Commitments, is set out below:

Designation of Leucadia Securities	Number of Leucadia Shares	Percentage of Total
Subscriber's shares issued on incorporation[1]	100	0.00%
Leucadia Shares issued in exchange for the business plan developed by Vinergy, which shares will be distributed to the Vinergy Shareholders[2]	26,333,330	100%
Leucadia Shares to be issued pursuant to the Leucadia Commitment	0	0%
Total...	**26,333,330**	**100%**

NOTES:

(1) One hundred common shares of Leucadia were issued to Vinergy on incorporation and will be redeemed and cancelled concurrent with the completion of the Arrangement.

(2) After multiplication by the Conversion Factor.

Prior Sales of Securities of Leucadia

Leucadia issued one hundred common shares to Vinergy at a price of $1.00 per share on incorporation on January 12, 2014.

Options and Warrants

Stock Options

The Vinregy Shareholders will be asked at the Meeting to approve the Vinergy Option Plan. See “Approval of the Vinergy Stock Option Plan”. As of the Effective Date, assuming approval of the Leucadia Option Plan by the Vinergy Shareholders, there will be approximately 2,633,333 Leucadia Shares available for issuance under the Leucadia Option Plan. As of the date of this Circular, Leucadia has not granted any options under the Leucadia Option Plan.

Convertible Securities

The following convertible securities of Leucadia will be outstanding as of the Effective Date.

Designation of Security	Date of Expiry	No. of Common Shares issuable upon exercise	Exercise Price[2]
Leucadia Commitment	Various	0	0

Principal Shareholders of Leucadia

To the knowledge of the directors and executive officers of Leucadia, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Leucadia Shares carrying more than 10% of the voting rights attached to all outstanding Leucadia Shares, other than Randy Clifford, who owns 5,000,000 Leucadia Shares, representing 18.99% of the currently issued and outstanding Leucadia Shares.

Directors and Officers of Leucadia

The following table sets out the names of the current and proposed directors and officers of Leucadia, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of Leucadia, and the number and percentage of Leucadia Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

Name, Province and Country of Residence	Principal Occupation or Employment During the Past 5 Years	Proposed Position(s) with Leucadia	Director/ Officer of the Company Since	Number of Securities Beneficially Owned or over which Control or Direction is Exercised
GLEN MACDONALD(2) British Columbia, Canada Director	Self-employed consulting geologist	Chief Executive Officer and Chief Financial Officer	Since November 30, 2009	5,000,000

NOTES:
Glen Macdonald is presently the only member of Leucadia's Audit Committee. Leucadia has not established a Compensation Committee.

Management of Leucadia

The following is a description of the individuals who will be directors and officers of Leucadia following the completion of the Arrangement:

Glen Macdonald is a self-employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, promoter or other member of management of Leucadia is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Glen Macdonald was a director of Corniche Capital Ltd. ("Corniche") when it was halted by the TSX Venture Exchange ("TSXV") on August 4, 1999 and on October 5, 1999 for failure to complete a major transaction within the required time. Corniche was reorganized as Printlux.com, Inc. and on August 23, 2001 it completed its major transaction. Mr. Macdonald resigned as a director in August 2001 as part of this reorganization.

Mr. Macdonald has been a director of AVC Venture Corp. ("AVC") since November 1999. On November 25, 2002, AVC was halted by the TSXV for failure to complete a major transaction within the required time. Trading was reinstated on December 15, 2003. AVC was again halted on June 6, 2006 for failure to complete a major transaction. This halt remains in effect.

Mr. Macdonald has been a director of Dynamic Resources Corp. ("Dynamic") since September 1993. On May 1, 2009, a management cease trade order was issued against the securities of Dynamic held by Glen Macdonald for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired as of July 10, 2009.

Mr. Macdonald has been a director of Maxim Resources Inc. ("Maxim") since May 2002. On May 4, 2009, a cease trade order was issued against Maxim for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired August 4, 2009.

Penalties or Sanctions

No director, officer, promoter or other member of management of Leucadia has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

No director, officer, promoter or other member of management of Leucadia has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of Leucadia are required by law to act honestly and in good faith with a view to the best interest of Leucadia and to disclose any interests which they may have in any project or opportunity of Leucadia. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Leucadia will participate in any project or opportunity, that director will primarily consider the degree of risk to which Leucadia may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Leucadia and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Executive Compensation of Leucadia

The executive officers of Leucadia (the "**Executive Officers**") are:

Glen Macdonald – Chief Executive Officer

Glen Macdonald – Chief Financial Officer

Leucadia does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Leucadia.

Indebtedness of Directors and Executive Officers of Leucadia

No individual who is, or at any time from the date of Leucadia's incorporation to the date hereof was a director or executive officer of Leucadia, or an associate or affiliate of such an individual, is or has been indebted to Leucadia.

Leucadia's Auditor

A Chan and Company LLP, Chartered Accountants, are the auditors of Leucadia.

Leucadia's Material Contracts

The following are the contracts which are material to Leucadia:

1. the Arrangement Agreement;
2. the Leucadia Option Plan.

The material contracts described above may be inspected at the registered office of Leucadia at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

Promoters

The Company is the promoter of Leucadia.

WAYZATA AFTER THE ARRANGEMENT

The following is a description of Wayzata assuming completion of the Arrangement.

Name, Address and Incorporation

Wayzata was incorporated as "Wayzata Film Finance Inc." pursuant to the Act on January 12, 2014. Wayzata is currently a private company and a wholly-owned subsidiary of Vinergy. Wayzata's head office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, and its registered and records office is located at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

Inter-corporate Relationships

Wayzata does not have any subsidiaries.

Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the Arrangement are provided under "The Arrangement". The Arrangement, if successfully completed, will result in Wayzata holding the letter of intent with Hole One Holdings Ltd. and receiving funds necessary to commence its business focused on the distribution, production and financing of motion pictures, new media and television assets. Wayzata will establish a portal to achieve several objectives, including: (1) sourcing scripts or other early stage projects requiring funding capital to complete their production; (2) distributing media assets through a pipeline of sources; and (3) financing of all elements including the acquisition of projects, distribution of projects and the creation of projects. The future operating results and financial position of Wayzata cannot be predicted. Shareholders may review the Vinergy and Wayzata unaudited *pro–forma* financial statements attached as Schedule "D" hereto.

Trends

See "Risk Factors".

Other than as disclosed in this Circular, Wayzata is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of Wayzata's Business

Wayzata was incorporated on January 12, 2014 and has not yet commenced commercial operations. Wayzata will acquire the letter of intent with Hole One Holdings Ltd. from Vinergy as part of the Arrangement, and will

commence operations as a film finance and production company. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Wayzata, and the Court.

Wayzata's Business History

The Board of Vinergy has determined that it would be in the best interests of the Company to focus on exploring and developing the Nipisi oil & gas assets, while at the same time retaining its shareholders' interest in its letter of intent with Hole One Holdings Ltd. by transferring its interest to Wayzata pursuant to the Arrangement Agreement, in exchange for Wayzata Shares that would be distributed to the Vinergy Shareholders.

Pursuant to the Arrangement, Vinergy will transfer to Wayzata all of Vinergy's interest in the letter of intent with Hole One Holdings Ltd. in consideration for 26,333,330 Wayzata Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Wayzata Share for each Vinergy Share held. Wayzata will need to raise funds in order to obtain the capital necessary to meet its commitments under the letter of intent with Hole One Holdings Ltd. and to pay for salaries, for general and administrative expenses and for working capital purposes. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Wayzata, the Court and the Exchange.

Selected Unaudited Pro–Forma Financial Information of Wayzata

Wayzata was incorporated on January 12, 2014. Wayzata has not yet conducted any commercial operations. The following is a summary of certain financial information on a *pro–forma* basis for Wayzata as at November 30, 2013, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited *pro–forma* balance sheet of Wayzata appended to this Circular as Schedule "D". This unaudited *pro–forma* balance sheet was prepared as if the Arrangement had occurred on November 30, 2013, taking into account the assumptions stated therein. The unaudited *pro–forma* balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on November 30, 2013. In addition, the unaudited *pro–forma* balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	***Pro–forma* Financial Information of Wayzata as at November 30, 2013** (unaudited)
Cash	$ 5,000
Letter of Intent with Hole One Holdings Ltd.	Nil
Shareholders' Equity	$ 5,000
Number of issued Wayzata Shares	26,333,330

Dividends

Wayzata does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Wayzata Shares in the future will be made by the board of directors of Wayzata on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of Wayzata

General

Wayzata is not carrying on any business at the present time. On completion of the Arrangement, Wayzata will commence its business as a film finance and production company. The objectives of Wayzata's management will be to raise equity funds to develop the letter of intent with Hole One Holdings Ltd.

Business of Wayzata Following the Arrangement

Pursuant to a letter of intent with Hole One Holdings Ltd. dated January 6, 2014, Wayzata will establish a portal to achieve several objectives, including: (1) sourcing scripts or other early stage media projects requiring funding capital to complete their production; (2) distributing media assets through a pipeline of sources on a worldwide basis

through independent distributors and/or studios; (3) providing production services to external film companies with services both internal and external, including all administrative functions of the production, from budgeting and scheduling, to the preparation, filing and collection of tax credits; and (4) financing of all elements including the acquisition of projects, distribution of projects and the creation of projects. In addition, efforts have been taken to develop innovative distribution methods including the establishment of a video-on-demand platform.

Wayzata will also evaluate and may acquire additional licenses from time to time.

Liquidity and Capital Resources

Pursuant to the Arrangement, Vinergy will transfer to Wayzata all of Vinergy's interest in the letter of intent with Hole One Holdings Ltd. in consideration for 26,333,330 Wayzata Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Wayzata Share for each Vinergy Share held.

Wayzata is a start-up film finance and production company and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, Wayzata's ability to conduct operations, including the development of its organic beverage business, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that Wayzata will be able to do so.

See “Selected Unaudited *Pro–forma* Financial Information” for information concerning the financial assets of Wayzata resulting from the Arrangement.

Results of Operations

Wayzata has not carried out any commercial operations to date.

Available Funds

Pursuant to the Arrangement, Vinergy will transfer to Wayzata all of Vinergy's interest in the letter of intent with Hole One Holdings Ltd. in consideration for 26,333,330 Wayzata Class A Preferred Shares multiplied by the Conversion Factor.

The estimated unaudited pro–forma working capital of Wayzata at November 30, 2013 is approximately $100, which will be available to Wayzata upon completion of the Arrangement.

Share Capital of Wayzata

The following table represents the share capitalization of Wayzata as at November 30, 2013, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	100(1)	26,333,330(2)

NOTES:

(1) One hundred common shares of Wayzata were issued on incorporation and will be redeemed and cancelled by the Company concurrent with the completion of the Arrangement.

(2) After multiplication by the Conversion Factor.

Wayzata is authorized to issue an unlimited number of common shares without par value, of which approximately 26,333,330 common shares (after multiplication by the Conversion Factor) will be issued and outstanding following completion of the Arrangement.

Common Shares

Wayzata is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of Wayzata and, upon liquidation, to share equally in such assets of Wayzata as are

distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Fully Diluted Share Capital of Wayzata

The *pro–forma* fully diluted share capital of Wayzata, assuming completion of the Arrangement and the exercise of all Vinergy Share Commitments, is set out below:

Designation of Wayzata Securities	**Number of Wayzata Shares**	**Percentage of Total**
Subscriber's shares issued on incorporation[1]	100	0.00%
Wayzata Shares issued in exchange for the letter of intent with Hole One Holdings Ltd., which shares will be distributed to the Vinergy Shareholders[2]	26,333,330	100%
Wayzata Shares to be issued pursuant to the Wayzata Commitment.............	0	0%
Total...	**26,333,330**	**100%**

NOTES:

(1) One hundred common shares of Wayzata were issued to Vinergy on incorporation and will be redeemed and cancelled concurrent with the completion of the Arrangement.

(2) After multiplication by the Conversion Factor.

Prior Sales of Securities of Wayzata

Wayzata issued one hundred common shares to Vinergy at a price of $1.00 per share on incorporation on January 12, 2014.

Options and Warrants

Stock Options

The Vinergy Shareholders will be asked at the Meeting to approve the Wayzata Option Plan. See “Approval of the Wayzata Stock Option Plan”. As of the Effective Date, assuming approval of the Wayzata Option Plan by the Vinergy Shareholders, there will be approximately 2,633,333 Wayzata Shares available for issuance under the Wayzata Option Plan. As of the date of this Circular, Wayzata has not granted any options under the Wayzata Option Plan.

Convertible Securities

The following convertible securities of Wayzata will be outstanding as of the Effective Date.

Designation of Security	**Date of Expiry**	**No. of Common Shares issuable upon exercise**	**Exercise Price[2]**
Wayzata Commitment	Various	0	0

Principal Shareholders of Wayzata

To the knowledge of the directors and executive officers of Wayzata, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Wayzata Shares carrying more than 10% of the voting rights attached to all outstanding Wayzata Shares, other than Randy Clifford, who owns 5,000,000 Wayzata Shares, representing 18.99% of the currently issued and outstanding Wayzata Shares.

Directors and Officers of Wayzata

The following table sets out the names of the current and proposed directors and officers of Wayzata, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of Wayzata, and the

number and percentage of Wayzata Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

Name, Province and Country of Residence	**Principal Occupation or Employment During the Past 5 Years**	**Proposed Position(s) with Wayzata**	**Director/ Officer of the Company Since**	**Number of Securities Beneficially Owned or over which Control or Direction is Exercised**
GLEN MACDONALD(2) British Columbia, Canada Director	Self-employed consulting geologist	Chief Executive Officer and Chief Financial Officer	Since November 30, 2009	5,000,000

NOTES:
Glen Macdonald is presently the only member of Wayzata's Audit Committee. Wayzata has not established a Compensation Committee.

Management of Wayzata

The following is a description of the individuals who will be directors and officers of Wayzata following the completion of the Arrangement:

Glen Macdonald is a self-employed geology consultant. Mr. Macdonald has a BSc. (1973) from the University of British Columbia and has been a member of the Alberta Professional Engineers, Geologists and Geophysicists Association since 1982 and of the British Columbia Association of Professional Engineers and Geoscientists since 1993. Mr. Macdonald has extensive experience in junior mineral exploration including in mining and the oil & gas sector. Mr. Macdonald has a great deal of experience as a director and officer of junior public companies and substantial audit committee experience.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, promoter or other member of management of Wayzata is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Glen Macdonald was a director of Corniche Capital Ltd. (“Corniche”) when it was halted by the TSX Venture Exchange (“TSXV”) on August 4, 1999 and on October 5, 1999 for failure to complete a major transaction within the required time. Corniche was reorganized as Printlux.com, Inc. and on August 23, 2001 it completed its major transaction. Mr. Macdonald resigned as a director in August 2001 as part of this reorganization.

Mr. Macdonald has been a director of AVC Venture Corp. (“AVC”) since November 1999. On November 25, 2002, AVC was halted by the TSXV for failure to complete a major transaction within the required time. Trading was reinstated on December 15, 2003. AVC was again halted on June 6, 2006 for failure to complete a major transaction. This halt remains in effect.

Mr. Macdonald has been a director of Dynamic Resources Corp. (“Dynamic”) since September 1993. On May 1, 2009, a management cease trade order was issued against the securities of Dynamic held by Glen Macdonald for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired as of July 10, 2009.

Mr. Macdonald has been a director of Maxim Resources Inc. ("Maxim") since May 2002. On May 4, 2009, a cease trade order was issued against Maxim for failure to file financial statements within the required time. The financial statements were subsequently filed, and the cease trade order expired August 4, 2009.

Penalties or Sanctions

No director, officer, promoter or other member of management of Wayzata has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

No director, officer, promoter or other member of management of Wayzata has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of Wayzata are required by law to act honestly and in good faith with a view to the best interest of Wayzata and to disclose any interests which they may have in any project or opportunity of Wayzata. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Wayzata will participate in any project or opportunity, that director will primarily consider the degree of risk to which Wayzata may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Wayzata and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Executive Compensation of Wayzata

The executive officers of Wayzata (the "**Executive Officers**") are:

Glen Macdonald – Chief Executive Officer

Glen Macdonald – Chief Financial Officer

Wayzata does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Wayzata.

Indebtedness of Directors and Executive Officers of Wayzata

No individual who is, or at any time from the date of Wayzata's incorporation to the date hereof was a director or executive officer of Wayzata, or an associate or affiliate of such an individual, is or has been indebted to Wayzata.

Wayzata's Auditor

A Chan and Company LLP, Chartered Accountants, are the auditors of Wayzata.

Wayzata's Material Contracts

The following are the contracts which are material to Wayzata:

1. the Arrangement Agreement;
2. the Wayzata Option Plan.

The material contracts described above may be inspected at the registered office of Wayzata at Suite 488 - 625 Howe Street, Vancouver, British Columbia, V6C 2T6, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

Promoters

The Company is the promoter of Wayzata.

WEDONA AFTER THE ARRANGEMENT

The following is a description of Wedona assuming completion of the Arrangement.

Name, Address and Incorporation

Wedona was incorporated as "Wedona Uranium Inc." pursuant to the Act on January 12, 2014. Wedona is currently a private company and a wholly-owned subsidiary of Vinergy. Wedona's head office is located at 846 Field Crescent, Parksville, British Columbia, V9P 2N8, and its registered and records office is located at 846 Field Crescent, Parksville, British Columbia, V9P 2N8.

Inter-corporate Relationships

Wedona does not have any subsidiaries.

Significant Acquisition and Dispositions

There are no significant acquisitions or dispositions, completed or probable, for which financial statements would be required under applicable securities legislation, save pursuant to this Arrangement described herein. Details of the Arrangement are provided under "The Arrangement". The Arrangement, if successfully completed, will result in Wedona holding the Property Option Agreement with Jescorp Capital Inc. and receiving funds necessary to commence exploration and development of the RCU Properties in Ontario. The future operating results and financial position of Wedona cannot be predicted. Shareholders may review the Vinergy and Wedona unaudited *pro–forma* financial statements attached as Schedule "D" hereto.

Trends

See "Risk Factors".

Other than as disclosed in this Circular, Wedona is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon its revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

General Development of Wedona's Business

Wedona was incorporated on January 12, 2014 and has not yet commenced commercial operations. Wedona will acquire the Property Option Agreement with Jescorp Capital Inc. from Vinergy as part of the Arrangement, and will commence operations as a mineral exploration and development company. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Wedona, and the Court.

Wedona's Business History

The Board of Vinergy has determined that it would be in the best interests of the Company to focus on exploring and developing the Nipisi oil & gas assets, while at the same time retaining its shareholders' interest in its Property Option Agreement with Jescorp Capital Inc. by transferring its interest to Wedona pursuant to the Arrangement Agreement, in exchange for Wedona Shares that would be distributed to the Vinergy Shareholders.

Pursuant to the Arrangement, Vinergy will transfer to Wedona all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. in consideration for 26,333,330 Wedona Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Wedona Share for each Vinergy Share held. Wedona will need to raise funds in order to obtain the capital necessary to meet its commitments under the Property Option Agreement with Jescorp Capital Inc. and to pay for salaries, for general and administrative expenses and for working capital purposes. Completion of the Arrangement is subject to the approval of the Arrangement by the Vinergy Shareholders, Wedona, the Court and the Exchange.

NARRATIVE DESCRIPTION OF THE BUSINESS OF WEDONA

Technical Report – RCU Property

The following information regarding the property has been summarized from a technical report entitled "Technical Report NI 43-101 on the RCU Property, Roberts and Creelman Townships, District of Sudbury, Ontario", dated January 9, 2014, and prepared by Robert G. Komarechka, P.Geo, ("Mr. Komarechka" or the "author") of Bedrock Research Corp. and L.D.S. Winter, P.Geo, and should be read in conjunction with this Circular. Messrs. Komarechka and Winter are independent Qualified Persons as defined by NI 43-101. The Technical Report has been prepared in accordance with NI 43-101 and is available for inspection at the head office of the Company during normal business hours.

The authors of the Technical Report have obtained and reviewed various reports concerning past exploration work conducted on the property which were not prepared in accordance with NI 43-101. The following technical information has been taken from these reports; however, the authors have not completed sufficient work to verify the accuracy of this historical information. Accordingly, readers should use caution when considering this information and should not rely upon the accuracy of such information.

Summary

The Roberts Creelman Uranium Property (RCU Property) owned 100% by GTO Resources Inc. (referred to herein as "the Company") is an early stage exploration project located approximately 50 kilometres north of Sudbury, Ontario. The property is located in Sudbury Mining Division, District of Sudbury at 81°05'W and 46°55'N (NTS 41-I/14).

The property consists of three contiguous unpatented mining claims composed of 34 claim units covering approximately 544 hectares in Roberts and Creelman Townships. By an agreement ("the Agreement") dated 6 January 2014, Vinergy Resources Ltd. has the exclusive right to acquire a 50% interest in the RCU Property subject to certain conditions involving cash payments, exploration expenditures and the issuance of shares. As of the date of this report all terms of the Vendor Agreement have been met and this Agreement is in good standing, subject to the payment of annual advance royalties of at least $12,000 to the original Vendor regardless of any production or not. The royalty to the Vendor is for $0.20/lb of uranium produced from the RCU and/or a second property to a maximum of $1,200,000. The royalty can be bought at any time. An area of mutual interest exists with the original vendor inclusive of the RCU claims and having a radius of one mile around the perimeter of the claims.

The RCU Property is underlain by Archean granitic and supracrustal rocks of the eastern extension of the Temagami greenstone belt unconformably overlain by Proterozoic metasediments. Nipissing Diabase sills and later diabase dykes intrude earlier Archean and Proterozoic rocks. Anomalous uranium mineralization occurs near the Archean-Paleoproterozoic unconformity in the Paleoproterozoic pyritiferous argillite, oligiomictic quartz pebble paraconglomerates and polymictic paraconglomerates believed to be paleoplacer deposits formed in braided stream channels on the Archean basement erosional surface. Higher uranium assays are associated with thin interbedded argillaceous units in the conglomerates.

The rare earth element (REE) mineralization is intimately associated with the uranium mineralization. The uranium mineralization consists of detrital (heavy) mineral grains of uraninite plus additional heavy minerals, one of which is monazite. Monazite contains approximately 90% of the REE contained within the paleoplacers. In any mill or concentrator the REE report in the acid leach solutions with the uranium.

Two uranium occurrences exhibiting similar characteristics are recorded on the RCU Property within the Mississagi Formation, the Nordic (also known as the Amax showing) and the Leslie occurrences. Other less significant uranium occurrences are found in the area, outside the Property also within rocks of the Mississagi Formation near the unconformable Archean-Paleoproterozoic contact.

Over the past few years, the use of rare earth elements (REE) in various aspects of modern technology has increased significantly. China has been producing approximately 95% of the world's supply and on 1 September 2009 China announced that it would reduce its export quota by about 70% to 35,000 tonnes per year for the period 2010-2015 so as to protect the environment and to conserve scarce resources for domestic use. This, coupled with the increasing demand, has resulted in significant price increases for several of the REE.

In the Elliot Lake area, which is the type area for the Ontario, Paleoproterozoic sediment-hosted uranium deposits, REE occur associated with the uranium mineralization. Just east of Elliot Lake, Pele Mountain Resources Inc. is developing their Eco Ridge Mine project and they are reporting the full range of REE plus yttrium associated with the uranium mineralization in the main conglomerate bed (Pele Mountain Resources Inc., News Release, 28 September 2010). Pele also reports that leaching tests show that over 60% of the REE are available in the uranium leach solutions and that the REE have been successfully recovered commercially in the past from the leach solutions.

The Nordic Occurrence has reported historic percussion drill chip assays of up to 0.046% U3O8 (0.92 lbs per ton) over 9 metres (Nordic Mines & Investments Limited, 1969), with an average bulk sample grade of 0.038% U3O8 (0.76 lbs U3O8 per ton) on a 22.2 ton sample across a 9.14 metre horizontal width as recorded by A.S. Bayne, P.Eng. (AMAX Exploration Inc., Roberts 0019, 1974). The sample grades are reported as "assays", however, the method of analysis is not reported.

The Leslie Area contains three separate showings; Leslie 1, Leslie 2 and Leslie 3. The second Leslie showing has a reported historic estimate of the mineralized tonnage calculated at one million tons "in situ" of 0.036% U3O8 (0.80 lbs U3O8 per ton) by McGregor P. Eng. (McGregor, 1976).

> Note: All resource estimates presented in this report are historical and were prepared before the introduction of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). These resource estimates may not be relied upon until they are confirmed using methods and standards that comply with those required by NI 43-101. The potential for the exploration target to replicate the historical resource, or to reach the indicated range of tonnages, is conceptual and is based on historical reports, which cite approximately lengths, widths, depths, grades and projections of the historical resource. Readers are cautioned that a qualified person has not completed sufficient exploration, test work or examination of past work to define a resource that is currently compliant with NI 43-101. The Company further cautions that there is a risk that exploration and test work will not result in the delineation of such a currently compliant resource. Neither the Company nor its personnel treat the historical resource estimate or the historical data as defining a current mineral resource, as defined under NI 43-101, nor do they rely upon the estimate or the data for evaluation purposes; however, these data are considered relevant and will be used to guide exploration as the Company develops new data to support a current mineral/resource estimate in accordance with the requirements of NI 43-101.

Recent sampling by the Company and Winter has indicated the presence of REE associated with the uranium mineralization and the areas of high radioactivity at both the Nordic and Leslie 2 areas. The REE assays from the Nordic samples gave values between 41.0 ppm TREE (total Rare Earth Elements plus yttrium) and 300.77 ppm with an average of 191 ppm. The TREE sample values from the Leslie occurrences ranged from 50 ppm to a high of 719 ppm with an average of 193 ppm. These samples were analyzed by AGAT Laboratories using their Lanthanide 4 acid digestion and an ICP-MS finish.

The model for uranium mineralization with associated REE of economic interest on the Property is a Proterozoic pyritic paleoplacer (Eckstrand, 1984) type associated with early pre-oxygenated Proterozoic quartz pebble

oligiomictic conglomerate. Some previous authors have also suggested a uranium mineralization model in association with black carboniferous shale (Barringer Magenta Limited, 1979). The potential for VMS base metal mineralization exists within the underlying Archean greenstone belt. The reported presence of pervasive interstitial chalcopyrite and sphalerite grains within the overlying Proterozoic sediments helps to substantiate this potential. Recently paleoplacer gold up to 36.5 grams per tonne over 31 metres in a channel sample has been found in pyritic Paleoproterozoic basal conglomerates of the Mississagi Formation in Pardo Township Ginguro Exploration Inc., (September 24, 2013 press release) about 27 kilometres to the southeast of GTO Resources Inc.'s RCU Property. The potential for gold within the pyritic basal conglomerates of the RCU Property requires investigation.

Previous work on the Property mainly took place starting in the 1950's through to the 1980's when there was decreased demand for uranium and prices dropped significantly. During this 30 year period work on the subject property consisted of geological mapping, prospecting, sampling, geophysical surveys, diamond and percussion drilling and bulk sampling. With the increase in the price of uranium starting in 2007 there was renewed interest in the Property and ground and airborne geophysical surveys, prospecting, geological mapping, stripping and sampling were carried out by the Company and its predecessor companies. The Property is at an early stage of evaluation and the recommended exploration program consists of mapping and sampling and an initial drilling program to test radiometric targets of interest and to provide geological and mineralization information as the basis for further work as warranted.

A one (1) phase exploration program including 2000 metres of drilling is recommended with an expenditure of $413,000. Further work would be contingent on the results of the Phase 1 program.

Selected Unaudited Pro–Forma Financial Information of Wedona

Wedona was incorporated on January 12, 2014. Wedona has not yet conducted any commercial operations. The following is a summary of certain financial information on a *pro–forma* basis for Wedona as at November 30, 2013, assuming completion of the Arrangement as of such date, and should be read in conjunction with the unaudited *pro–forma* balance sheet of Wedona appended to this Circular as Schedule "D". This unaudited *pro–forma* balance sheet was prepared as if the Arrangement had occurred on November 30, 2013, taking into account the assumptions stated therein. The unaudited *pro–forma* balance sheet is not necessarily reflective of the financial position that would have resulted if the events described therein had occurred on November 30, 2013. In addition, the unaudited *pro–forma* balance sheet is not necessarily indicative of the financial position that may be attained in the future.

	***Pro–forma* Financial Information of Wedona as at November 30, 2013** (unaudited)
Cash	$ 5,000
Property Option Agreement with Jescorp Capital Inc.	Nil
Shareholders' Equity	$ 5,000
Number of issued Wedona Shares	26,333,330

Dividends

Wedona does not anticipate paying any dividends on its common shares in the short or medium term. Any decision to pay dividends on the Wedona Shares in the future will be made by the board of directors of Wedona on the basis of the earnings, financial requirements and other conditions existing at such time.

Business of Wedona

General

Wedona is not carrying on any business at the present time. On completion of the Arrangement, Wedona will commence its business as a mineral exploration and development company. The objectives of Wedona's management will be to raise equity funds to develop the Property Option Agreement with Jescorp Capital Inc.

Business of Wedona Following the Arrangement

Wedona is not carrying on any business at the present time. On completion of the Arrangement, Wedona will commence its business as a junior mineral exploration and development company. The objectives of Wedona's management will be to raise equity funds to acquire a 50% working interest in the RCU Properties pursuant to the Property Option Agreement with Jescorp Capital Inc. dated January 6, 2014, and described below:

Sudbury Division 70 – Claim S4261942 – Township: Creelman (G-2966) – Claim Units 8
Sudbury Division 70 – Claim S4261943 – Township: Creelman (G-2966) – Claim Units 10
Sudbury Division 70 – Claim S3014452 – Township: Roberts (G-2865) – Claim Units 16

Wedona will also evaluate and may acquire additional licenses from time to time.

Liquidity and Capital Resources

Pursuant to the Arrangement, Vinergy will transfer to Wedona all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. in consideration for 26,333,330 Wedona Class A Preferred Shares multiplied by the Conversion Factor, which shares will be distributed to the Vinergy Shareholders who hold Vinergy Shares on the Share Distribution Record Date on the basis of one Wedona Share for each Vinergy Share held.

Wedona is a start-up mineral exploration and production company and therefore has no regular source of income, other than interest income it may earn on funds invested in short–term deposits. As a result, Wedona's ability to conduct operations, including the development of its mineral exploration business, is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that Wedona will be able to do so.

See "Selected Unaudited *Pro–forma* Financial Information" for information concerning the financial assets of Wedona resulting from the Arrangement.

Results of Operations

Wedona has not carried out any commercial operations to date.

Available Funds

Pursuant to the Arrangement, Vinergy will transfer to Wedona all of Vinergy's interest in the Property Option Agreement with Jescorp Capital Inc. in consideration for 26,333,330 Wedona Class A Preferred Shares multiplied by the Conversion Factor.

The estimated unaudited pro–forma working capital of Wedona at November 30, 2013 is approximately $100, which will be available to Wedona upon completion of the Arrangement.

Share Capital of Wedona

The following table represents the share capitalization of Wedona as at November 30, 2013, both prior to and assuming completion of the Arrangement.

Share Capital	Authorized	Prior to the Completion of The Arrangement	After Completion of the Arrangement
Common Shares	Unlimited	100(1)	26,333,330(2)

NOTES:

(1) One hundred common shares of Wedona were issued on incorporation and will be redeemed and cancelled by the Company concurrent with the completion of the Arrangement.
(2) After multiplication by the Conversion Factor.

Wedona is authorized to issue an unlimited number of common shares without par value, of which approximately 26,333,330 common shares (after multiplication by the Conversion Factor) will be issued and outstanding following completion of the Arrangement.

Common Shares

Wedona is authorized to issue an unlimited number of common shares without nominal or par value. The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of Wedona and, upon liquidation, to share equally in such assets of Wedona as are distributable to the holders of common shares and non-voting shares. All common shares to be outstanding after completion of this offering will be fully paid and non-assessable.

Fully Diluted Share Capital of Wedona

The *pro–forma* fully diluted share capital of Wedona, assuming completion of the Arrangement and the exercise of all Vinergy Share Commitments, is set out below:

Designation of Wedona Securities	Number of Wedona Shares	Percentage of Total
Subscriber's shares issued on incorporation[1]	100	0.00%
Wedona Shares issued in exchange for the Property Option Agreement with Jescorp Capital Inc., which shares will be distributed to the Vinergy Shareholders[2]	26,333,330	100%
Wedona Shares to be issued pursuant to the Wedona Commitment	0	0%
Total...	**26,333,330**	**100%**

NOTES:

(1) One hundred common shares of Wedona were issued to Vinergy on incorporation and will be redeemed and cancelled concurrent with the completion of the Arrangement.

(2) After multiplication by the Conversion Factor.

Prior Sales of Securities of Wedona

Wedona issued one hundred common shares to Vinergy at a price of $1.00 per share on incorporation on January 12, 2014.

Options and Warrants

Stock Options

The Vinergy Shareholders will be asked at the Meeting to approve the Wedona Option Plan. See "Approval of the Wedona Stock Option Plan". As of the Effective Date, assuming approval of the Wedona Option Plan by the Vinergy Shareholders, there will be approximately 2,633,333 Wedona Shares available for issuance under the Wedona Option Plan. As of the date of this Circular, Wedona has not granted any options under the Wedona Option Plan.

Convertible Securities

The following convertible securities of Wedona will be outstanding as of the Effective Date.

Designation of Security	Date of Expiry	No. of Common Shares issuable upon exercise	Exercise Price[2]
Wedona Commitment	Various	0	0

Principal Shareholders of Wedona

To the knowledge of the directors and executive officers of Wedona, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Wedona Shares carrying more than 10% of the voting rights attached to all outstanding Wedona Shares, other than Randy Clifford, who owns 5,000,000 Wedona Shares, representing 18.99% of the currently issued and outstanding Wedona Shares.

Directors and Officers of Wedona

The following table sets out the names of the current and proposed directors and officers of Wedona, the municipalities of residence of each, all offices currently held by each of them, their principal occupations within the five preceding years, the period of time for which each has been a director or executive officer of Wedona, and the number and percentage of Wedona Shares to be beneficially owned by each, directly or indirectly, or over which control or direction will be exercised, upon completion of the Arrangement.

Name, Province and Country of Residence	Principal Occupation or Employment During the Past 5 Years	Proposed Position(s) with Wedona	Director/ Officer of the Company Since	Number of Securities Beneficially Owned or over which Control or Direction is Exercised
MICHAEL WILSON Parksville, BC Director	Since 1996, self-employed consultant for private companies in need of assistance identifying and introducing geologists, investment bankers, legal and accounting professional	CEO and CFO	Proposed nominee	Nil

NOTES:
Michael Wilson is presently the only member of Wedona's Audit Committee. Wedona has not established a Compensation Committee.

Management of Wedona

The following is a description of the individuals who will be directors and officers of Wedona following the completion of the Arrangement:

Michael W. Wilson (age 68), Director.
Since 1996 Mr. Wilson has worked as a self-employed consultant for private companies in need of assistance identifying and introducing geologists, investment bankers, legal and accounting professional to their companies. Mr. Wilson served as a director of Excelsior Mining Corp., which is a TSX Venture Exchange listed company, between 2006 and 2010. Since 2005 Mr. Wilson has been a director and officer of Razore Rock Resources Inc. (formerly Edda Resources Inc.), a reporting issuer on the CS Exchange. Mr. Wilson currently holds a position of director with Yorkton Ventures Inc., a TSX Venture Exchange listed junior oil & gas issuer.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no director, officer, promoter or other member of management of Wedona is, or within the ten years prior to the date of this Circular has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Mr. Wilson was a director of Lima Gold Corporation (now Crosshair Exploration and Mining Corp.) when, on February 10, 1999, it was the subject of a cease trade order for failure to file financial statements. The cease trade order was rescinded on April 14, 1999. At the time of the cease trade order, Lima Gold Corporation did not have an active business and was undergoing an extensive reorganization. Mr. Wilson is a director of Excelsior Mining Corp. which was suspended by the Exchange effective April 6, 2010 for failure to complete a qualifying transaction within the prescribed time. On May 18, 2010, Excelsior Mining Corp. closed its qualifying transaction and the common shares of the company were reinstated for trading.

Penalties or Sanctions

No director, officer, promoter or other member of management of Wedona has, during the ten years prior to the date of this Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

No director, officer, promoter or other member of management of Wedona has, during the ten years prior to the date of this Circular, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of Wedona are required by law to act honestly and in good faith with a view to the best interest of Wedona and to disclose any interests which they may have in any project or opportunity of Wedona. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not Wedona will participate in any project or opportunity, that director will primarily consider the degree of risk to which Wedona may be exposed and its financial position at that time.

Except as disclosed in this Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Wedona and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

Executive Compensation of Wedona

The executive officers of Wedona (the "**Executive Officers**") are:

Michael Wilson – Chief Executive Officer

Michael Wilson – Chief Financial Officer

Wedona does not have an employment contract with any of its Executive Officers pursuant to which the Executive Officers will be compensated for their services as executive officers of Wedona.

Indebtedness of Directors and Executive Officers of Wedona

No individual who is, or at any time from the date of Wedona's incorporation to the date hereof was a director or executive officer of Wedona, or an associate or affiliate of such an individual, is or has been indebted to Wedona.

Wedona's Auditor

A Chan and Company LLP, Chartered Accountants, are the auditors of Wedona.

Wedona's Material Contracts

The following are the contracts which are material to Wedona:

1. the Arrangement Agreement;
2. the Wedona Option Plan.

The material contracts described above may be inspected at the registered office of Wedona at 846 Field Crescent, Parksville, British Columbia, V9P 2N8, during normal business hours prior to the Meeting and for a period of thirty days thereafter.

Promoters

The Company is the promoter of Wedona.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for Ara, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona is Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

Vinergy's registrar and transfer agent is Computershare Trust Company of Canada, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

LEGAL PROCEEDINGS

There are no pending legal proceedings to which the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona is or is likely to be a party or of which any of its properties are, or to the best of knowledge of management of the Company, Arq, BC0990756, Jonpol, Leucadia, Wayzata, or Wedona are likely to be subject.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders of the Company may contact the Company to request copies of the Company's financial statements and management's discussion and analysis by sending a written request to 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5, Attention: Corporate Secretary. Financial information is provided in the Company's comparative financial statements and management discussion and analysis for its most recently completed financial year.

EXPERTS

The audited financial statements of the Company as at February 28, 2013, included in this Circular have been so included in reliance upon the review of Saturna Group Chartered Accountants LLP, and upon the authority of such firm as experts in accounting and auditing. Saturna Group Chartered Accountants LLP is independent within the meaning of the applicable rules of professional conduct in Canada.

Each of the above named experts has advised the Company that they beneficially own, directly or indirectly, less than 1% of the outstanding Vinergy Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares, and as a group they own less than one (1%) percent of the issued Vinergy Shares, Arq Shares, BC0990756 Shares, Jonpol Shares, Leucadia Shares, Wayzata Shares, and Wedona Shares.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Board.

Dated at Vancouver, British Columbia this 30th day of January, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Randy Clifford"
Randy Clifford
CEO and CFO

CERTIFICATE OF THE COMPANY

Date: January 30, 2014

The foregoing management information circular constitutes full, true and plain disclosure of all material facts relating to the transactions contemplated in this management information circular as required by the securities legislation of the Provinces of British Columbia and Ontario.

By: */s/ "Randy Clifford"*
Randy Clifford
Chief Executive Officer

By: */s/ "Randy Clifford"*
Randy Clifford
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

By: */s/ "Eugene Sekora"*
Eugene Sekora
Director

By: */s/ "Glen Macdonald"*
Glen Macdonald
Director

By: /s/ *"Ken Ralfs"*
Ken Ralfs
Director

SCHEDULE "A"

RESOLUTIONS FOR THE SPECIAL MEETING OF VINERGY RESOURCES LTD.

Capitalized words used in this Schedule "A" and not otherwise defined shall have the meaning ascribed to such terms in the Circular.

I. To approve the Arrangement

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Arrangement Agreement dated January 14, 2014, between Vinergy Resources Ltd. (the "**Company**"), Arq Graphite Inc., 0990756 B.C. Ltd., Jonpol Rare Earths Inc., Leucadia Finance Partners Inc., Wayzata Film Finance Inc., and Wedona Uranium Inc., is hereby approved, ratified and affirmed;

2. the Arrangement under Division 5 of Part 9 of the Act, substantially as set forth in the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement, is hereby approved and authorized;

3. notwithstanding that this special resolution has been passed by the shareholders of the Company or that the Arrangement has received the approval of the Court, the Board may amend the Arrangement Agreement and/or decide not to proceed with the Arrangement or revoke this special resolution at any time prior to the filing of a certified copy of the court order approving the Arrangement with the Registrar without further approval of the shareholders of the Company; and

4. any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this special resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

II. To approve the incentive stock option plan of Arq Graphite Inc.

"BE IT RESOLVED THAT:

1. the stock option plan of Arq Graphite Inc., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of Arq Graphite Inc. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Arq Graphite Inc. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

III. To approve the incentive stock option plan of 0990756 B.C. Ltd.

"BE IT RESOLVED THAT:

1. the stock option plan of 0990756 B.C. Ltd., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of 0990756 B.C. Ltd. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of 0990756 B.C. Ltd. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

IV. To approve the incentive stock option plan of Jonpol Rare Earths Inc.

"BE IT RESOLVED THAT:

1. the stock option plan of Jonpol Rare Earths Inc., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of Jonpol Rare Earths Inc. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Jonpol Rare Earths Inc. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

V. To approve the incentive stock option plan of Leucadia Finance Partners Inc.

"BE IT RESOLVED THAT:

1. the stock option plan of Leucadia Finance Partners Inc., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of Leucadia Finance Partners Inc. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Leucadia Finance Partners Inc. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

VI. To approve the incentive stock option plan of Leucadia Finance Partners Inc.

"BE IT RESOLVED THAT:

1. the stock option plan of Leucadia Finance Partners Inc., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of Leucadia Finance Partners Inc. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Leucadia Finance Partners Inc. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

VII. To approve the incentive stock option plan of Wayzata Film Finance Inc.

"BE IT RESOLVED THAT:

1. the stock option plan of Wayzata Film Finance Inc., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of Wayzata Film Finance Inc. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Wayzata Film Finance Inc. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

VIII. To approve the incentive stock option plan of Wedona Uranium Inc.

"BE IT RESOLVED THAT:

1. the stock option plan of Wedona Uranium Inc., as described in this management information circular of the Company dated January 30, 2014, be and is hereby ratified and approved for the ensuing year; and

2. any one (1) director or officer of Wedona Uranium Inc. be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of Wayzata Film Finance Inc. or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

SCHEDULE "B"

THE INTERIM ORDER

No. S-140759
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: ARRANGEMENT AMONG VINERGY RESOURCES LTD. (THE "PETITIONER"), ARQ GRAPHITE INC., 0990756 B.C. LTD., JONPOL RARE EARTHS INC., LEUCADIA FINANCE PARTNERS INC., WAYZATA FILM FINANCE INC., WEDONA URANIUM INC., AND THE SHAREHOLDERS OF VINERGY RESOURCES LTD.

ORDER

BEFORE	)	TUESDAY, THE 4TH DAY
MR. JUSTICE BOWDEN	)	
	)	OF FEBRUARY, 2014
	)	

ON THE APPLICATION WITHOUT NOTICE of the Petitioner for an interim order for direction of the Court in connection with a proposed arrangement pursuant to Sections 288 and 291 of the Business Corporations Act (British Columbia), S.B.C., 2002 c. 57 as amended (the "**BCBCA**"), coming on for hearing at Vancouver, British Columbia on the 4^{h} day of February, 2014.

AND ON HEARING Mouane Sengsavang, counsel for the Petitioner.

AND UPON READING the Petition herein dated January 30, 2014 and the Affidavit #1 of Glen Macdonald sworn on January 30, 2014 and filed on the 31st day of January, 2014. This court orders that:

THE MEETING

1. Vinergy Resources Ltd. ("**Vinergy**") is authorized and directed to call, hold and conduct a special meeting (the "**Meeting**") of the common shareholders of Vinergy (the "**Vinergy Shareholders**") to be held at 11 a.m. on February 28, 2014 in the 2nd floor boardroom of 510 Burrard Street, Vancouver, British Columbia, or such other location in Vancouver, British Columbia to be determined by Vinergy.

2. At the Meeting, Vinergy Shareholders will, *inter alia*, consider, and if deemed advisable, approve, with or without variation, a special resolution (the "**Arrangement Resolution**") adopting, with or without amendment, the arrangement (the "**Arrangement**") involving Vinergy, Vinergy Shareholders, Arq Graphite Inc., 0990756 B.C. Ltd., Jonpol Rare Earths Inc., Leucadia Finance Partners Inc., Wayzata Film Finance Inc., and Wedona Uranium Inc., as set forth more particularly in the plan of arrangement (the "**Plan of Arrangement**") attached as Exhibit "A" to the Affidavit #1 of Glen Macdonald sworn January 30, 2014 (the "**Affidavit**") and filed herein.

3. The Meeting will be called, held and conducted in accordance with the Notice of Special Meeting to be delivered to the Vinergy Shareholders in substantially the form attached to and forming part of the Management Information Circular (the "**Circular**") attached as Exhibit "B" to the Affidavit, and in accordance with applicable provisions of the BCBCA, the Articles of Vinergy, the *Securities*

Act (British Columbia), R.S.B.C. 1996, c. 418, as amended (the "**Securities Act**"), and related rules and policies, the terms of this Order (the "**Interim Order**") and any further Order of this Court, the rulings and directions of the Chairman of the Meeting, and, to the extent of any inconsistency or discrepancy between the Interim Order and the terms of any of the foregoing, the Interim Order will govern.

RECORD DATE FOR NOTICE

4. The record date for determination of the Vinergy Shareholders entitled to receive the notice of Meeting, the Circular and a form of proxy (the "**Meeting Materials**") will be the close of business (Vancouver time) on January 10, 2014 (the "**Record Date**") or such other date as the directors of Vinergy may determine in accordance with the Articles of Vinergy, the BCBCA and the Securities Act, and as disclosed in the Meeting Materials.

NOTICE OF MEETING

5. The Meeting Materials, with such amendments or additional documents as counsel for Vinergy may advise are necessary or desirable, and that are not inconsistent with the terms of this Interim Order, and a copy of this Interim Order, will be sent at least twenty-one (21) days prior to the date of the Meeting, to: (a) Vinergy Shareholders who are registered shareholders on the Record Date and to brokerage intermediaries on behalf of beneficial Vinergy Shareholders where applicable, by prepaid ordinary mail addressed to each registered Vinergy Shareholder at his, her or its address as maintained by the registrar and transfer agent of Vinergy or delivery of same by courier service or by facsimile transmission or e-mail transmission to any such Vinergy Shareholder who identifies himself, herself or itself to the satisfaction of Vinergy and who requests such courier, facsimile or e-mail transmission.

6. The accidental failure or omission by Vinergy to give notice of the Meeting or the Petition to any person in accordance with this Interim Order, as a result of mistake or of events beyond the reasonable control of Vinregy (including, without limitation, any inability to utilize postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such accidental failure or omission is brought to the attention of Vinergy, then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances. Such rectified notice shall be deemed to be good and sufficient notice of the Meeting and/or this Petition, as the case may be.

7. The distribution of the Meeting Materials pursuant to paragraph 5 of this Interim Order shall constitute good and sufficient notice of the Meeting to registered and non-registered Vinergy Shareholders.

8. Vinergy is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials ("**Additional Information**") in accordance with the terms of the Arrangement, as Vinergy may determine to be necessary or desirable and notice of such Additional Information may be communicated to Vinergy Shareholders by news release, newspaper advertisement or one of the methods by which the Meeting Materials will be distributed.

DEEMED RECEIPT OF MEETING MATERIALS

9. The Meeting Materials will be deemed, for the purposes of this Interim Order, to have been received by the Vinergy Shareholders.

a. In the case of mailing to registered Vinergy Shareholders or, in the case of delivery by courier of materials to brokerage intermediaries, five days after delivery thereof to the post office or acceptance by the courier service, respectively; and

b. In the case of delivery by courier, facsimile transmission or e-mail transmission directly to a registered Vinergy Shareholder, the business day after such delivery or transmission of same.

10. Subject to other provisions of this Interim Order, no other form of service or delivery of the Meeting Materials or any portion thereof need be made, or notice given, or other material served in respect of the Meeting to any persons described in paragraph 5 of this Interim Order or to any other persons.

PERMITTED ATTENDEES

11. The persons entitled to attend the Meeting will be Vinergy Shareholders of record as of the close of business (Vancouver time) on the Record Date, their respective proxies, the officers, directors and advisors of Vinergy and such other persons who receive the consent of the Chairman of the Meeting to attend.

VOTING AT THE MEETING

12. The only persons permitted to vote at the Meeting will be the registered Vinergy Shareholders as of the close of business (Vancouver time) on the Record Date or their valid proxy holders as described in the Circular and as determined by the Chairman of the Meeting upon consultation with the Scrutineer (as hereinafter defined) and legal counsel to Vinergy.

13. The requisite approval of the Arrangement Resolution will be 66.66% of the votes cast on the resolution by the Vinergy Shareholders present in person or by proxy at the Meeting. Each common share of Vinergy voted will carry one vote.

14. A quorum for the Meeting will be the quorum required by the Articles of Vinergy.

15. In all other respects, the terms, restrictions and conditions of the constating documents of Vinergy will apply in respect of the Meeting.

16. For the purposes of the Meeting, any spoiled votes, illegible votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

ADJOURNMENT OF MEETING

17. Notwithstanding any provision of the BCBCA or the Articles of Vinergy, the board of directors of Vinergy shall be entitled if it deems advisable, to adjourn or postpone the Meeting on one or more occasions without the necessity of first convening the Meeting or first obtaining any votes of the Vinergy Shareholders respecting the adjournment or postponement and without the need for approval of the Court.

18. The record date for Vinergy Shareholders entitled to notice of and to vote at the Meeting will not change in respect of adjournments or postponements of the Meeting.

AMENDMENTS

19. Vinergy is authorized to make such amendments, revisions or supplements to the Plan of Arrangement as it may determine, provided it has obtained any required consents, and the Plan of Arrangement as so amended, revised or supplemented will be the Plan of Arrangement which is submitted to the Meeting and which will thereby become the subject of the Arrangement Resolution.

SCRUTINEER

20. A representative of Vinergy's registrar and transfer agent (or any agent thereof) (the "**Scrutineer**") will be authorized to act as scrutineer for the Meeting.

PROXY SOLICITATION

21. Vinergy is authorized to permit the Vinergy Shareholders to vote by proxy using the form of proxy, in substantially the same form as attached as Exhibit "B" to the Affidavit. Vinergy is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communications as it may determine.

22. Vinergy may in its discretion waive the time limits for deposit of proxies by Vinergy Shareholders if Vinergy deems it reasonable to do so.

DISSENT RIGHTS

23. The Vinergy Shareholders will, as set out in the Plan of Arrangement, be permitted to dissent from the Arrangement Resolution in accordance with the dissent procedures set forth in Division 2 of Part 8 of the BCBCA, strictly applied and as may be modified by the Plan of Arrangement.

SERVICE OF COURT MATERIALS

24. Vinergy will include in the Meeting Materials a copy of this Interim Order, the Notice of Hearing of Petition and will make available to any Vinergy Shareholder requesting same, a copy of each of the Petition herein and the accompanying Affidavit (collectively, the "**Court Materials**"). The service of the Petition and Affidavit in support of the within proceedings to any Vinergy Shareholder requesting same is hereby dispensed with.

25. Delivery of the Court Materials given in accordance with this Interim Order will constitute good, sufficient and timely service of such Court Materials upon all persons who are entitled to receive the Court Materials pursuant to this Interim Order and no other form of service need be made and no other material need to be served on such persons in respect of these proceedings.

FINAL APPROVAL HEARING

26. Upon the approval by the Vinergy Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Vinergy may apply for an order of this Honourable Court approving the Plan of Arrangement (the "**Final Order**") and that the Petition be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia at 9:45 a.m. on March 5, 2014 or such later date as counsel for Vinergy may be heard.

27. The Court shall consider at the hearing for the Final Order, the fairness of the terms and conditions of the Arrangement, as provided for in the Arrangement, and the rights and interest of every person affected thereby.

28. Any Vinergy Shareholder has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order provided that such Vinergy Shareholder shall file a Response to Petition, in the form provided by the Rules of Court of the Supreme Court of British Columbia, with this Court and deliver a copy of the filed Response to Petition together with a copy of all materials on which such Vinergy Shareholder intends to rely at the submissions to the Petitioner at Vinergy Resources Ltd., 6012 - 85 Avenue, Edmonton, Alberta, T6B 0J5, Attention: Glen Macdonald at or before 11:00 a.m. on February 26, 2014, subject to the direction of this Honourable Court.

29. If the application for the Final Order is adjourned, only those persons who have filed and delivered a Response to the Petition, in accordance with the preceding paragraph of this Interim Order, need to be served with notice of the adjourned date.

30. The Petitioner shall not be required to comply with Rule 8-1 and Rule 16-1 of the Rules of Court in relation to the hearing of the Final Order approving the Plan of Arrangement and such rules will not apply to any application to vary this Interim Order.

VARIANCE

31. Vinergy is at liberty to apply to this Honourable Court to vary this Interim Order and for advice and direction with respect to the Plan of Arrangement or any of the matters related to this Interim Order and such further and other relief as this Honourable Court may consider just.

BY THE COURT

REGISTRAR

APPROVED AS TO FORM:

Counsel for the Petitioner

SCHEDULE "C"

DISSENT PROCEDURES

***Business Corporations Act* (British Columbia)**

PART 2 OF DIVISION 8 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, D-3 the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244. D-6

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice of shares under, or in purported compliance with, this Division.

SCHEDULE “D”

PRO–FORMA UNAUDITED BALANCE SHEET OF ARQ GRAPHITE INC. AS AT NOVEMBER 30, 2013

Arq Graphite Inc.

Pro Forma Balance Sheet

November 30, 2013

Arq Graphite Inc.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	Arq Graphite Inc.	Pro Forma Adjustments (Note 2)		Arq Graphite Inc. Pro Forma
ASSETS				
Current Assets				
Cash	$ 100	$ 5,000	(a)	$ 5,000
		(100)	(b)	
	100	4,900		5,000
Arq Option	-	-	(a)	-
	$ 100	$ 4,900		$ 5,000
LIABILITIES				
Long term loan payable	$ -	$ -		$ -
	-	-		-
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	100	5,000	(a)	5,000
		(100)	(b)	
Deficit	-	-		-
	$ 100	$ 4,900		$ 5,000

1. Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinery Resources Ltd. ("Vinergy") dated January 29, 2014 ("Information Circular) relating to the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option") to six separate corporate entities respectively by a Plan of Arrangement (the "Arrangement"). Arq Graphite Inc. ("Arq" or the "Company") has been incorporated under the British Columbia Corporation Act with 100 common share issued to its initial and sole shareholder, Vinergy. Under the terms of the Arrangement, Arq will own substantially all of Vinergy's interest in the Property Option Agreement with Arq Investments Inc. As consideration for this Arq Option, Arq will be expected to issue to Vinergy 26,333,330 (equal to the same number of Vinergy shares expected to be outstanding as of the Share Distribution Record Date) common shares multiplied by a Conversion Factor as defined in the Information Circular, which will then be distributed to the current shareholders of Vinergy pro-rata based on their relative shareholdings of Vinergy.

This pro forma balance sheet has been prepared as if the Arrangement occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3. A pro forma presentation of operations for the period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described herein under the Arrangement had actually occurred on November 30, 2013 but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

2. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) Vinergy sells certain assets, described further in note 3, to Arq and takes back as consideration, 26,333,330 common shares of Arq multiplied by a conversion factor (the "Distributed Arq Shares") plus $5,000 cash (See Note 3).

(b) The Company will redeem the incorporator share of 100 shares.

3. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to Arq, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Cash	$ 5,000
Arq Option	$ -
	$ 5,000

The Arrangement envisions the transfer of these assets from their ownership by Vinergy to ownership by Vinergy's wholly-owned subsidiary Arq Graphite Inc. and the immediate distribution of a controlling interest in the common shares of Arq Graphite Inc. to the current shareholders of Vinery. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to Arq Graphite Inc., the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

Arq Graphite Inc. ("Arq") will assume the position of Vinergy with respect to the Property Option Agreement with Arq Investments Inc.

Further, the pro forma balance sheet reflects the assumption that Arq will acquire a tax basis in its Arq Option equal to their carrying amount for accounting purposes, such that no liability exists for future income taxes.

4. Share Capital

	Number of Shares	$
Issued at incorporation	100	100
Redemption of incorporator share	(100)	(100)
Issued on acquisition of Arq Option and cash	26,333,330	5,000
Pro forma issued and outstanding, November 30, 2013	26,333,330	5,000

5. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options being exercised on or before the effective date of the Arrangement.

SCHEDULE "D"

PRO–FORMA UNAUDITED BALANCE SHEET OF 0990756 B.C. LTD. AS AT NOVEMBER 30, 2013

0990756 B.C. Ltd.

Pro Forma Balance Sheet

November 30, 2013

0990756 B.C. Ltd.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	0990756 B.C. Ltd.	Pro Forma Adjustments (Note 2)		0990756 B.C. Ltd. Pro Forma
ASSETS				
Current Assets				
Cash	$ 100	$ 5,000	(a)	$ 5,000
		(100)	(b)	
	100	4,900		5,000
TBG Contract	-	-	(a)	-
	$ 100	$ 4,900		$ 5,000
LIABILITIES				
Long term loan payable	$ -	$ -		$ -
	-	-		-
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	100	5,000	(a)	5,000
		(100)	(b)	
Deficit	-	-		-
	$ 100	$ 4,900		$ 5,000

1. Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinery Resources Ltd. ("Vinergy") dated January 29, 2014 ("Information Circular) relating to the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option") to six separate corporate entities respectively by a Plan of Arrangement (the "Arrangement"). 0990756 B.C. Ltd. ("BC0990756" or the "Company") has been incorporated under the British Columbia Corporation Act with 100 common share issued to its initial and sole shareholder, Vinergy. Under the terms of the Arrangement, Arq will own substantially all of Vinergy's interest in the Contract of Purchase and Sale with TBG Capital Inc. As consideration for this TBG Contract, BC0990756 will be expected to issue to Vinergy 26,333,330 (equal to the same number of Vinergy shares expected to be outstanding as of the Share Distribution Record Date) common shares multiplied by a Conversion Factor as defined in the Information Circular, which will then be distributed to the current shareholders of Vinergy pro-rata based on their relative shareholdings of Vinergy.

This pro forma balance sheet has been prepared as if the Arrangement occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3. A pro forma presentation of operations for the period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described herein under the Arrangement had actually occurred on November 30, 2013 but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

2. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) Vinergy sells certain assets, described further in note 3, to BC0990756 and takes back as consideration, 26,333,330 common shares of BC0990756 multiplied by a conversion factor (the "Distributed BC0990756 Shares") plus $5,000 cash (See Note 3).

(b) The Company will redeem the incorporator share of 100 shares.

3. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to BC0990756, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Cash	$ 5,000
TBG Contract	$ -
	$ 5,000

The Arrangement envisions the transfer of these assets from their ownership by Vinergy to ownership by Vinergy's wholly-owned subsidiary 0990756 B.C. Ltd. and the immediate distribution of a controlling interest in the common shares of 0990756 B.C. Ltd. to the current shareholders of Vinery. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to 0990756 B.C. Ltd., the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

0990756 B.C. Ltd. ("BC0990756") will assume the position of Vinergy with respect to the TBG Contract with TBG Capital Inc.

Further, the pro forma balance sheet reflects the assumption that BC0990756 will acquire a tax basis in its TBG Contract equal to their carrying amount for accounting purposes, such that no liability exists for future income taxes.

4. Share Capital

	Number of Shares	$
Issued at incorporation	100	100
Redemption of incorporator share	(100)	(100)
Issued on acquisition of TBG Contract and cash	26,333,330	5,000
Pro forma issued and outstanding, November 30, 2013	26,333,330	5,000

5. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options being exercised on or before the effective date of the Arrangement.

SCHEDULE "D"

PRO–FORMA UNAUDITED BALANCE SHEET OF JONPOL RARE EARTHS INC. AS AT NOVEMBER 30, 2013

Jonpol Rare Earths Inc.

Pro Forma Balance Sheet

November 30, 2013

Jonpol Rare Earths Inc.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	Jonpol Rare Earths Inc.	Pro Forma Adjustments (Note 2)		Jonpol Rare Earths Inc. Pro Forma
ASSETS				
Current Assets				
Cash	$ 100	$ 5,000	(a)	$ 5,000
		(100)	(b)	
	100	4,900		5,000
Hyman Option	-	-	(a)	-
	$ 100	$ 4,900		$ 5,000
LIABILITIES				
Long term loan payable	$ -	$ -		$ -
	-	-		-
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	100	5,000	(a)	5,000
		(100)	(b)	
Deficit	-	-		-
	$ 100	$ 4,900		$ 5,000

1. Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinery Resources Ltd. ("Vinergy") dated January 29, 2014 ("Information Circular) relating to the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option") to six separate corporate entities respectively by a Plan of Arrangement (the "Arrangement"). Jonpol Rare Earths Inc. ("Jonpol" or the "Company") has been incorporated under the British Columbia Corporation Act with 100 common share issued to its initial and sole shareholder, Vinergy. Under the terms of the Arrangement, Jonpol will own substantially all of Vinergy's interest in the Hyman Property Option Agreement with Jescorp Capital Inc. As consideration for this Hyman Option, Jonpol will be expected to issue to Vinergy 26,333,330 (equal to the same number of Vinergy shares expected to be outstanding as of the Share Distribution Record Date) common shares multiplied by a Conversion Factor as defined in the Information Circular, which will then be distributed to the current shareholders of Vinergy pro-rata based on their relative shareholdings of Vinergy.

This pro forma balance sheet has been prepared as if the Arrangement occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3. A pro forma presentation of operations for the period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described herein under the Arrangement had actually occurred on November 30, 2013 but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

2. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) Vinergy sells certain assets, described further in note 3, to Jonpol and takes back as consideration, 26,333,330 common shares of Jonpol multiplied by a conversion factor (the "Distributed Jonpol Shares") plus $5,000 cash (See Note 3).

(b) The Company will redeem the incorporator share of 100 shares.

3. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to Jonpol, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Cash	$ 5,000
Hyman Option	$ -
	$ 5,000

The Arrangement envisions the transfer of these assets from their ownership by Vinergy to ownership by Vinergy's wholly-owned subsidiary Jonpol Rare Earths Inc. and the immediate distribution of a controlling interest in the common shares of Jonpol Rare Earths Inc. to the current shareholders of Vinery. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to Jonpol Rare Earths Inc., the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

Jonpol Rare Earths Inc. ("Jonpol") will assume the position of Vinergy with respect to the Hyman Property Option Agreement with Jescorp Capital Inc.

Further, the pro forma balance sheet reflects the assumption that Jonpol will acquire a tax basis in its Hyman Option equal to their carrying amount for accounting purposes, such that no liability exists for future income taxes.

4. Share Capital

	Number of Shares	$
Issued at incorporation	100	100
Redemption of incorporator share	(100)	(100)
Issued on acquisition of Hyman Option and cash	26,333,330	5,000
Pro forma issued and outstanding, November 30, 2013	26,333,330	5,000

5. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options being exercised on or before the effective date of the Arrangement.

SCHEDULE "D"

PRO–FORMA UNAUDITED BALANCE SHEET OF LEUCADIA FINANCE PARTNERS INC. AS AT NOVEMBER 30, 2013

Leucadia Finance Partners Inc.

Pro Forma Balance Sheet

November 30, 2013

Leucadia Finance Partners Inc.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	Leucadia Finance Partners Inc.	Pro Forma Adjustments (Note 2)		Leucadia Finance Partners Inc. Pro Forma
ASSETS				
Current Assets				
Cash	$ 100	$ 5,000	(a)	$ 5,000
		(100)	(b)	
	100	4,900		5,000
Corporate finance business plan	-	-	(a)	-
	$ 100	$ 4,900		$ 5,000
LIABILITIES				
Long term loan payable	$ -	$ -		$ -
	-	-		-
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	100	5,000	(a)	5,000
		(100)	(b)	
Deficit	-	-		-
	$ 100	$ 4,900		$ 5,000

1. Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinery Resources Ltd. ("Vinergy") dated January 29, 2014 ("Information Circular) relating to the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option") to six separate corporate entities respectively by a Plan of Arrangement (the "Arrangement"). Leucadia Finance Partners Inc. ("Leucadia" or the "Company") has been incorporated under the British Columbia Corporation Act with 100 common share issued to its initial and sole shareholder, Vinergy. Under the terms of the Arrangement, Leucadia will own substantially all of Vinergy's interest in the Corporate Finance Business Plan. As consideration for this Corporate Finance Business Plan, Leucadia will be expected to issue to Vinergy 26,333,330 (equal to the same number of Vinergy shares expected to be outstanding as of the Share Distribution Record Date) common shares multiplied by a Conversion Factor as defined in the Information Circular, which will then be distributed to the current shareholders of Vinergy pro-rata based on their relative shareholdings of Vinergy.

This pro forma balance sheet has been prepared as if the Arrangement occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3. A pro forma presentation of operations for the period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described herein under the Arrangement had actually occurred on November 30, 2013 but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

2. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) Vinergy sells certain assets, described further in note 3, to Leucadia and takes back as consideration, 26,333,330 common shares of Leucadia multiplied by a conversion factor (the "Distributed Leucadia Shares") plus $5,000 cash (See Note 3).

(b) The Company will redeem the incorporator share of 100 shares.

3. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to Leucadia, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Cash	$	5,000
Corporate Finance Business Plan	$	-
	$	5,000

The Arrangement envisions the transfer of these assets from their ownership by Vinergy to ownership by Vinergy's wholly-owned subsidiary Leucadia Finance Partners Inc. and the immediate distribution of a controlling interest in the common shares of Leucadia Finance Partners Inc. to the current shareholders of Vinery. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to Leucadia Finance Partners Inc., the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

Leucadia Finance Partners Inc. ("Leucadia") will assume the position of Vinergy with respect to the Corporate Finance Business Plan.

Further, the pro forma balance sheet reflects the assumption that Leucadia will acquire a tax basis in its Corporate Finance Business Plan equal to their carrying amount for accounting purposes, such that no liability exists for future income taxes.

4. Share Capital

	Number of Shares	$
Issued at incorporation	100	100
Redemption of incorporator share	(100)	(100)
Issued on acquisition of Corporate Finance Business Plan and cash	26,333,330	5,000
Pro forma issued and outstanding, November 30, 2013	26,333,330	5,000

5. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options being exercised on or before the effective date of the Arrangement.

SCHEDULE "D"

PRO–FORMA UNAUDITED BALANCE SHEET OF VINERGY RESOURCES LTD.
AS AT NOVEMBER 30, 2013

VINERGY RESOURCES LTD.

Pro Forma Balance Sheet

November 30, 2013

VINERGY RESOURCES LTD.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	Vinergy Resources Ltd.	Pro Forma Adjustments (Note 1)		Vinergy Resources Ltd. Pro Forma
ASSETS				
Current Assets				
Cash & cash equivalents	$ 116,897	$ (30,000)	(a)	$ 86,897
Amount receivable	150	-		150
Advances to operator	13,846	-		13,846
Option Agreements, Letter of Intents & Contract of Purchase and Sale	-	-	(e)	-
Distributed Arq, BC0990756, Jonpol, Leucadia, Wayzata, and Wedona Shares	-	30,000	(a)	-
		(30,000)	(d)	
	$ 130,893	$ (30,000)		$ 100,893
LIABILITIES				
Current Liabilities				
Accounts payables and accrued liabilities	$ 81,066	$ -		$ 81,066
Due to related parties	330,914	-		330,914
Current loan payable	20,000	-		20,000
Decommissioning obligations	3,000	-		3,000
	434,980	-		434,980
Non-Current Liabilities				
Convertible debenture	162,368	-		162,368
	162,368	-		162,368
Total Liabilities	597,348	-		597,348
Share capital	700,821	(30,000)	(b)	670,821
Preferred shares	-	30,000	(b)	-
		(30,000)	(d)	
Equity component of convertible debt	176,251	-		176,251
Deficit	(1,343,527)	-		(1,343,527)
Total Equity	(466,455)	(30,000)		(496,455)
	$ 130,893	$ (30,000)		$ 100,893

Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinergy Resources Ltd. ("Vinergy" or the "Company") dated January 29, 2014, in connection with the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option"). A pro forma presentation of operations for any period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet has been derived from the audited interim balance sheet of Vinergy as at November 30, 2013 and gives effect to the Company's proposed Plan of Arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia), as described herein. Upon completion of the Arrangement, as more fully described in Note 2:

- Vinergy's interest in the Arq Option and $5,000 cash will be owned by Arq Graphite Inc. ("Arq"), which itself will be owned directly by the current shareholders of Vinergy;

- Vinergy's interest in the TBG Contract and $5,000 cash will be owned by 0990756 B.C. Ltd. ("BC0990756"), which itself will be owned directly by the current shareholders of Vinergy;
- Vinergy's interest in the Hyman Option and $5,000 cash will be owned by Jonpol Rare Earths Inc. ("Jonpol"), which itself will be owned directly by the current shareholders of Vinergy;

- Vinergy's interest in the corporate finance business model and $5,000 cash will be owned by Leucadia Finance Partners Inc. ("Leucadia"), which itself will be owned directly by the current shareholders of Vinergy;

- Vinergy's interest in the Hole LOI and $5,000 cash will be owned by Wayzata Film Finance Inc. ("Wayzata"), which itself will be owned directly by the current shareholders of Vinergy;

- Vinergy's interest in the RCU Option and $5,000 cash will be owned by Wedona Uranium Inc. ("Wedona"), which itself will be owned directly by the current shareholders of Vinergy;

The pro forma balance sheet has been prepared as if the Arrangement had occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events reflected herein under the Arrangement had occurred on November 30, 2013, but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future. This pro forma financial statement should also be read in conjunction with Vinergy's unaudited interim financial statements as of November 30, 2013 included in the Management Information Circular.

1. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) The Company will transfer the assets referred to in note 2 to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona in consideration for 26,333,330 shares from each of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona (the "**Distributed Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona Shares**"), such Distributed Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona Shares to be multiplied by the Conversion Factor so that Vinergy shall receive from each Vinergy Subsidiary, in

consideration for the Assets, the number of shares equal to the issued and outstanding Vinergy Shares as of the Share Distribution Record Date (See Note 2).

(b) The authorized share capital of Vinergy is altered such that a new class of Common shares (the "New Common Shares") are created and a special class of preferred shares are created. These preferred shares will be assigned an aggregate redemption value equal to the fair market value of the assets transferred to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona in (a) above.

(c) All Vinergy shareholders exchange each of their current common shares held for one New Common Share and one preferred share.

(d) Vinergy redeems the preferred shares relating to the value of the Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona assets and gives as consideration to the holders of these shares, being all of the existing shareholders of Vinergy, the Distributed Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona Shares.

(e) Subsequent to the period ended November 30, 2013, the Company entered into three property option agreements, one letter of intent and one contract of purchase and sale agreement with various parties and these agreements, contract and LOI are recorded by the Company with fair value of $Nil.

2. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Arq Option	$	Nil
TBG Contract		Nil
Hyman Option		Nil
Hole LOI		Nil
RCU Option		Nil
Merchant banking business model		Nil
Cash		30,000
	$	30,000

The Arrangement envisions the transfer of these assets from their ownership by Vinery to ownership by Vinergy's wholly-owned subsidiaries, Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, and the immediate distribution of a controlling interest in the common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona to the current shareholders of Vinergy. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to these subsidiaries; the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

3. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options exercised on or before the effective date of the Arrangement.

SCHEDULE "D"

PRO–FORMA UNAUDITED BALANCE SHEET OF WAYZATA FILM FINANCE INC.
AS AT NOVEMBER 30, 2013

Wayzata Film Finance Inc.

Pro Forma Balance Sheet

November 30, 2013

Wayzata Film Finance Inc.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	Wayzata Film Finance Inc.	Pro Forma Adjustments (Note 2)		Wayzata Film Finance Inc. Pro Forma
ASSETS				
Current Assets				
Cash	$ 100	$ 5,000	(a)	$ 5,000
		(100)	(b)	
	100	4,900		5,000
Hole LOI	-	-	(a)	-
	$ 100	$ 4,900		$ 5,000
LIABILITIES				
Long term loan payable	$ -	$ -		$ -
	-	-		-
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	100	5,000	(a)	5,000
		(100)	(b)	
Deficit	-	-		-
	$ 100	$ 4,900		$ 5,000

1. Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinery Resources Ltd. ("Vinergy") dated January 29, 2014 ("Information Circular) relating to the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option") to six separate corporate entities respectively by a Plan of Arrangement (the "Arrangement"). Wayzata Film Finance Inc. ("Wayazata" or the "Company") has been incorporated under the British Columbia Corporation Act with 100 common share issued to its initial and sole shareholder, Vinergy. Under the terms of the Arrangement, Wayzata will own substantially all of Vinergy's interest in the Letter of intent with Hole One Holdings Ltd.. As consideration for this Corporate Finance Business Plan, Wayzata will be expected to issue to Vinergy 26,333,330 (equal to the same number of Vinergy shares expected to be outstanding as of the Share Distribution Record Date) common shares multiplied by a Conversion Factor as defined in the Information Circular, which will then be distributed to the current shareholders of Vinergy pro-rata based on their relative shareholdings of Vinergy.

This pro forma balance sheet has been prepared as if the Arrangement occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3. A pro forma presentation of operations for the period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described herein under the Arrangement had actually occurred on November 30, 2013 but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

2. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) Vinergy sells certain assets, described further in note 3, to Wayzata and takes back as consideration, 26,333,330 common shares of Wayzata multiplied by a conversion factor (the "Distributed Wayzata Shares") plus $5,000 cash (See Note 3).

(b) The Company will redeem the incorporator share of 100 shares.

3. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to Wayzata, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Cash	$ 5,000
Hole LOI	$ -
	$ 5,000

The Arrangement envisions the transfer of these assets from their ownership by Vinergy to ownership by Vinergy's wholly-owned subsidiary Wayzata Film Finance Inc. and the immediate distribution of a controlling interest in the common shares of Wayzata Film Finance Inc. to the current shareholders of Vinery. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to Wayzata Film Finance Inc., the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

Wayzata Film Finance Inc. ("Wayzata") will assume the position of Vinergy with respect to the Letter of intent with Hole One Holdings Ltd.

Further, the pro forma balance sheet reflects the assumption that Wayzata will acquire a tax basis in its Hole LOI equal to their carrying amount for accounting purposes, such that no liability exists for future income taxes.

4. Share Capital

	Number of Shares	$
Issued at incorporation	100	100
Redemption of incorporator share	(100)	(100)
Issued on acquisition of Hole LOI and cash	26,333,330	5,000
Pro forma issued and outstanding, November 30, 2013	26,333,330	5,000

5. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options being exercised on or before the effective date of the Arrangement.

SCHEDULE "D"

PRO–FORMA UNAUDITED BALANCE SHEET OF WEDONA URANIUM INC. AS AT NOVEMBER 30, 2013

Wedona Uranium Inc.

Pro Forma Balance Sheet

November 30, 2013

Wedona Uranium Inc.
Unaudited Pro Forma Balance Sheet
November 30, 2013

	Wedona Uranium Inc.	Pro Forma Adjustments (Note 2)		Wedona Uranium Inc. Pro Forma
ASSETS				
Current Assets				
Cash	$ 100	$ 5,000	(a)	$ 5,000
		(100)	(b)	
	100	4,900		5,000
RCU Option	-	-	(a)	-
	$ 100	$ 4,900		$ 5,000
LIABILITIES				
Long term loan payable	$ -	$ -		$ -
	-	-		-
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	100	5,000	(a)	5,000
		(100)	(b)	
Deficit	-	-		-
	$ 100	$ 4,900		$ 5,000

1. Basis of Presentation

This unaudited pro forma balance sheet has been compiled for purposes of inclusion in the Management Information Circular of Vinery Resources Ltd. ("Vinergy") dated January 29, 2014 ("Information Circular) relating to the reorganization of Vinergy's interests in the Property Option Agreement with Arq Investments Inc. ("Arq Option"), Contract of Purchase and Sale with TBG Capital Inc. ("TBG Contract"), Hyman Property Option Agreement with Jescorp Capital Inc. ("Hyman Option"), a corporate finance business model , Letter of intent with Hole One Holdings Ltd. ("Hole LOI") and RCU Property Option Agreement with Jescorp Capital Inc. ("RCU Option") to six separate corporate entities respectively by a Plan of Arrangement (the "Arrangement"). Wedona Uranium Inc. ("Wedona" or the "Company") has been incorporated under the British Columbia Corporation Act with 100 common share issued to its initial and sole shareholder, Vinergy. Under the terms of the Arrangement, Wedona will own substantially all of Vinergy's interest in the RCU Property Option Agreement with Jescorp Capital Inc. As consideration for this Corporate Finance Business Plan, Wedona will be expected to issue to Vinergy 26,333,330 (equal to the same number of Vinergy shares expected to be outstanding as of the Share Distribution Record Date) common shares multiplied by a Conversion Factor as defined in the Information Circular, which will then be distributed to the current shareholders of Vinergy pro-rata based on their relative shareholdings of Vinergy.

This pro forma balance sheet has been prepared as if the Arrangement occurred on November 30, 2013 and that the adjustments disclosed in Note 2 had occurred on the same date. In the opinion of management, the pro forma balance sheet includes all the adjustments necessary for fair presentation in accordance with IFRS, inclusive of the effect of the assumptions disclosed in note 3. A pro forma presentation of operations for the period ending November 30, 2013 is not considered practicable in this circumstance nor would it provide any meaningful information to a financial statement reader.

This pro forma balance sheet is not necessarily reflective of the financial position that would have resulted if the events described herein under the Arrangement had actually occurred on November 30, 2013 but rather expresses the pro forma results of specific transactions currently proposed. Further, this pro forma balance sheet is not necessarily indicative of the financial position that may be attained in the future.

2. Pro forma Adjustments

The pro forma balance sheet gives effect to the following transactions as if they had occurred at November 30, 2013:

(a) Vinergy sells certain assets, described further in note 3, to Wedona and takes back as consideration, 26,333,330 common shares of Wedona multiplied by a conversion factor (the "Distributed Wedona Shares") plus $5,000 cash (See Note 3).

(b) The Company will redeem the incorporator share of 100 shares.

3. Pro forma Assumptions

Pursuant to the Arrangement, the assets to be transferred to Wedona, based on their carrying values in the financial statements of Vinergy at November 30, 2013, are as follows:

Assets:

Cash	$ 5,000
RCU Option	$ -
	$ 5,000

The Arrangement envisions the transfer of these assets from their ownership by Vinergy to ownership by Vinergy's wholly-owned subsidiary Wedona Uranium Inc. and the immediate distribution of a controlling interest in the common shares of Wedona Uranium Inc. to the current shareholders of Vinery. The shareholders of Vinergy at the time of the Arrangement will continue to collectively own these assets, albeit through an altered corporate structure. Consequently, given that there will be no substantive change in the beneficial ownership of these assets at the time that they are vended to Wedona Uranium Inc., the transfer must be recorded under IFRS using the historical carrying values of the assets in the accounts of Vinergy.

Wedona Uranium Inc. ("Wedona") will assume the position of Vinergy with respect to the RCU Property Option Agreement with Jescorp Capital Inc.

Further, the pro forma balance sheet reflects the assumption that Wedona will acquire a tax basis in its RCU Option equal to their carrying amount for accounting purposes, such that no liability exists for future income taxes.

4. Share Capital

	Number of Shares	$
Issued at incorporation	100	100
Redemption of incorporator share	(100)	(100)
Issued on acquisition of RCU Option and cash	26,333,330	5,000
Pro forma issued and outstanding, November 30, 2013	26,333,330	5,000

5. Investments Commitments

Share purchase warrants and stock options of Vinergy outstanding on or before the effective date of the Arrangement will entitle the holder to acquire common shares of Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona, based on the exchange factor, being the number arrived at by dividing 26,333,330 by the number of issued Vinergy common shares as of the close of business on the share distribution record date. Vinergy will be required to remit to Arq, BC0990756, Jonpol, Leucadia, Wayzata and Wedona a portion of the funds received by Vinergy in accordance with the formula set out in the Arrangement Agreement. Vinergy is not expecting to have any of these share purchase warrants and stock options being exercised on or before the effective date of the Arrangement.

SCHEDULE "E"

AUDITED FINANCIAL STATEMENTS AND MD&A OF VINERGY FOR THE YEAR ENDED FEBRUARY 28, 2013

VINERGY RESOURCES LTD.

Consolidated Financial Statements

Years Ended February 28, 2013 and February 29, 2012

(Expressed in Canadian dollars)

SATURNAGROUP
CHARTERED ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Vinergy Resources Ltd.

We have audited the accompanying consolidated financial statements of Vinergy Resources Ltd., which comprise the consolidated statements of financial position as at February 28, 2013 and February 29, 2012 and the consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Vinergy Resources Ltd. as at February 28, 2013 and February 29, 2012 and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Vinergy Resources Ltd. to continue as a going concern.

Saturna Group Chartered Accountants LLP

Vancouver, Canada

June 19, 2013

VINERGY RESOURCES LTD.
Consolidated statements of financial position
(Expressed in Canadian dollars)

	February 28, 2013 $	February 29, 2012 $
Assets		
Current assets		
Cash	1,000	23,481
Amounts receivable	203	832
Advances to operator (Note 5)	13,846	33,516
Total assets	15,049	57,829
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	55,983	36,088
Due to related parties (Note 3)	284,886	245,920
Decommissioning obligations (Note 5)	3,000	34,416
Total current liabilities	343,869	316,424
Non-current liabilities		
Convertible debenture (Note 4)	162,368	134,298
Total liabilities	506,237	450,722
Shareholders' deficit		
Share capital	585,821	585,821
Equity component of convertible debenture	176,251	176,251
Deficit	(1,253,260)	(1,154,965)
Total shareholders' deficit	(491,188)	(392,893)
Total liabilities and shareholders' deficit	15,049	57,829

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 12)

Approved and authorized for issuance by the Board of Directors on June 19, 2013:

/s/ "Randy Clifford" — Randy Clifford, Director

/s/ "Eugene Sekora" — Eugene Sekora, Director

(The accompanying notes are an integral part of these consolidated financial statements)

VINERGY RESOURCES LTD.
Consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended February 28, 2013 $	Year ended February 29, 2012 $
Revenue	–	–
Expenses		
Management fees (Note 3)	28,800	28,800
Oil and gas property costs	1,425	13,492
Office and miscellaneous	488	547
Professional fees (Note 3)	31,069	34,795
Rent (Note 3)	–	36,000
Transfer agent and filing fees	18,119	14,536
Recovery of oil and gas properties	(16,405)	–
Total expenses	63,496	128,170
Loss before other income (expense)	(63,496)	(128,170)
Other income (expense)		
Gain on forgiveness of debt (Note 3)	18,000	–
Finance costs (Note 8)	(52,799)	(54,275)
Total other income (expense)	(34,799)	(54,275)
Net loss and comprehensive loss for the year	(98,295)	(182,445)
Loss per share, basic and diluted	–	(0.01)
Weighted average shares outstanding	24,033,330	23,652,508

(The accompanying notes are an integral part of these consolidated financial statements)

VINERGY RESOURCES LTD.
Consolidated statement of changes in equity
(Expressed in Canadian dollars)

	Share capital		Equity component of convertible debt	Deficit	Total shareholders' deficit
	Number of shares	Amount $	$	$	$
Balance, February 28, 2011	23,033,330	535,821	176,251	(972,520)	(260,448)
Exercise of share purchase warrants	1,000,000	50,000	–	–	50,000
Net loss for the year	–	–	–	(182,445)	(182,445)
Balance, February 29, 2012	24,033,330	585,821	176,251	(1,154,965)	(392,893)
Net loss for the year	–	–	–	(98,295)	(98,295)
Balance, February 28, 2013	24,033,330	585,821	176,251	(1,253,260)	(491,188)

(The accompanying notes are an integral part of these consolidated financial statements)

VINERGY RESOURCES LTD.
Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended February 28, 2013 $	Year ended February 29, 2012 $
Operating activities		
Net loss for the year	(98,295)	(182,445)
Items not involving cash:		
Finance costs	31,304	32,726
Recovery of oil and gas properties	(16,405)	–
Changes in non-cash operating working capital:		
Amounts receivable	629	714
Advances to operator	1,425	13,492
Accounts payable and accrued liabilities	19,895	(5,314)
Due to related parties	38,966	89,300
Net cash used in operating activities	(22,481)	(51,527)
Financing activities		
Proceeds from issuance of shares	–	50,000
Net cash provided by financing activities	–	50,000
Decrease in cash	(22,481)	(1,527)
Cash, beginning of year	23,481	25,008
Cash, end of year	1,000	23,481
Supplemental disclosures:		
Interest paid	–	20,617
Income taxes paid	–	–

(The accompanying notes are an integral part of these consolidated financial statements)

1. Nature of Operations and Continuance of Business

Vinergy Resources Ltd. (the "Company") was incorporated as Vanguard Investments Corp. on March 20, 2001 under the provisions of the Alberta Business Corporations Act. On May 10, 2011, the Company changed its name to Vinergy Resources Ltd. and continued the Company's registered jurisdiction from Alberta to British Columbia. The Company's head office is located at 6012 – 85 Avenue, Edmonton, Alberta, T6B 0J5 and its shares are listed on the Canadian National Stock Exchange under the symbol VIN.

On November 30, 2009, the Company entered into a Share Purchase Agreement (the "Agreement") with Zeus Energy Inc. ("Zeus") and its shareholders to acquire 100% of the issued and outstanding shares of Zeus. Zeus was incorporated on November 7, 2007 under the Alberta Business Corporations Act. Since the closing of the Agreement on November 30, 2009, the Company has been in the business of oil and gas acquisition, exploration and development.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at February 28, 2013, the Company had a working capital deficiency of $328,820, has not generated any revenues from operations, and has an accumulated deficit of $1,253,260. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that with its current cash and other funds that may be obtained from external financing that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations of the IFRS Interpretations Committee.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Basis of Consolidation

The financial statements include the accounts of the Company and its wholly owned subsidiary, Zeus Energy Inc. All inter-company transactions and balances have been eliminated.

(c) Use of Estimates

The preparation of the financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the useful life and recoverability of impairment of oil and gas properties, determination of reclamation provisions, valuation of convertible debt, fair value of share-based compensation, and deferred income tax asset valuation allowances.

(d) Reclassifications

Certain comparative figures have been reclassified to conform to the current year's presentation.

2. Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(f) Oil and Gas Properties

(i) Recognition and measurement:

Exploration and evaluation expenditures:

Pre-license costs are recognized in profit or loss as incurred. Exploration and evaluation costs, including the costs of acquiring licenses, geological and geophysical, drilling, sampling, decommissioning and often directly attributable internal costs, initially are capitalized as exploration and evaluation assets. The costs are accumulated in cost centres by well, field or exploration area and not depreciated pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and/or probable reserves have been discovered. Upon determination of proven and/or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

Development and production costs:

Items of property, plant and equipment, which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into cash generating units (“CGU”) for impairment testing. When significant parts of an item of property, plant and equipment, including oil and natural gas interests, have different useful lives, they are accounted for as separate items (major components).

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within profit or loss.

(ii) Subsequent costs:

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2. Significant Accounting Policies (continued)

(f) Oil and Gas Properties (continued)

(ii) Depletion and depreciation:

The net carrying value of development or production assets is depleted using the unit of production method by reference to the ratio of production in the year to the related proven and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually. The estimated useful lives for all production assets are assumed to be equal to the reserve life of the oil and natural gas assets, and therefore are also depreciated using the unit of production method. For other assets, depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

(g) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of income.

(h) Decommissioning, Restoration, and Similar Liabilities

The Company records the present value of estimated costs of legal and constructive obligations required to restore the site in the period in which the obligation is incurred. The nature of these restoration activities include dismantling and removing structures, rehabilitating mines and tailings dam, dismantling facilities, closure of plant and waste sites and restoration, reclamation and re-vegetation of affected areas.

The future obligations for well closure activities are estimated by the Company using well closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. Since the obligations are dependent on the laws and regulations of the countries in which the wells operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies.

2. Significant Accounting Policies (continued)

(h) Decommissioning, Restoration and Similar Liabilities (continued)

As the estimate of the obligations is based on future expectations, a number of assumptions and judgments are made by management in the determination of closure provisions. The closure provisions are more uncertain the further into the future the well closure activities are to be carried out.

The present value of decommissioning and site restoration provision as a long-term liability as incurred and records an increase in the carrying value of the related asset by a corresponding amount. The provision is discounted using a nominal, risk free pre-tax discount rate. Charges for accretion and restoration expenditures are recorded as operating activities. The related decommissioning provision is recorded as part of the oil and gas property and depreciated accordingly. In subsequent periods, the carrying amount of the liability is accreted by a charge to the statement of operations to reflect the passage of time and the liability is adjusted to reflect any changes in the timing of the underlying future cash flows.

Changes to the obligation resulting from any revisions to the timing or amount of the original estimate of undiscounted cash flows are recognized as an increase or decrease in the decommissioning provision, and a corresponding change in the carrying amount of the related long-lived asset. Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, or provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the statement of operations.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(i) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2. Significant Accounting Policies (continued)

(i) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

2. Significant Accounting Policies (continued)

(i) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, due to related parties and convertible debenture.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(j) Foreign Currency Translation

The financial statements for the Company's subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates. The functional and reporting currency of the Company is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

2. Significant Accounting Policies (continued)

(k) Income Taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the balance sheet date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the statement of financial position method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(l) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at February 28, 2013, the Company had 6,600,000 (February 29, 2012 – 6,600,000) potential dilutive shares outstanding.

(m) Comprehensive Loss

Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in profit or loss.

(n) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management’s best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of income with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

2. Significant Accounting Policies (continued)

(o) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 28, 2013, and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

New standard IFRS 10, "Consolidated Financial Statements" and IFRS 12 "Disclosure of interests in Other Entities"

New standard IFRS 13, "Fair Value Measurement"

Amendments to IAS 1, "Presentation of Financial Statements"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Related Party Transactions

(a) For the year ended February 28, 2013, the amount of $28,800 (year ended February 29, 2012 – $28,800) was incurred to the President of the Company for management fees.

(b) For the year ended February 28, 2013, the amount of $19,200 (year ended February 29, 2012 - $19,200) was incurred to the spouse of the President of the Company for professional fees.

(c) For the year ended February 28, 2013, the amount of $nil (year ended February 29, 2012 - $36,000) was incurred to a company owned by the President of the Company for rent.

(d) During the year ended February 28, 2013, $18,000 (year ended February 29, 2012 - $nil) owed to a company owned by the President of the Company was forgiven.

(e) As at February 28, 2013, the amount of $234,286 (February 29, 2012 - $214,520) is owed to the President of the Company and companies controlled by the President of the Company which is non-interest bearing, unsecured, and due on demand.

(f) As at February 28, 2013, the amount of $50,600 (February 29, 2012 - $31,400) is owed to the spouse of the President of the Company, which is non-interest bearing, unsecured, and due on demand.

4. Convertible Debenture

On January 15, 2010, the Company issued a $215,000 convertible debenture which bears interest at 10% per annum, is unsecured, and is due on January 16, 2015. The debenture is convertible into shares of the Company at a conversion price of $0.05 per share at any time at the option of the holder prior to the due date. The Company also issued 4,300,000 transferable detached share purchase warrants which are exercisable at $0.05 per share expiring on January 15, 2015.

The fair value of the equity component was determined to be $176,251 which was recorded as contributed surplus and an equivalent discount on the convertible debenture. The fair value was estimated using the Black-Scholes option pricing model assuming no expected dividends, a risk free interest rate of 2.99%, expected life of 5 years, and expected volatility of 100%. The accretion of the discount is being recognized over the term of the debenture. During the year ended February 28, 2013, the Company recognized accretion expense of $28,070 (year ended February 29, 2012 - $28,070).

5. Decommissioning Obligations

The total decommissioning obligation was estimated by management based on the Company's net ownership interest in all wells. This includes all estimated costs to reclaim and abandon the wells and the estimated timing of the costs to be incurred in future periods. The Company has estimated the net present value of the decommissioning obligations to be $3,000 as at February 28, 2013 based on estimated future costs provided by the property operator which are expected to be incurred in fiscal 2014. As at February 28, 2013, the Company had $13,846 (February 29, 2012 - $33,516) in advances to the operator to pay for its share of the decommissioning costs and other costs related to the properties.

The following table reconciles the decommissioning obligations:

	February 28, 2013 $	February 29, 2012 $
Balance, beginning of year	34,416	29,761
Decommissioning costs paid	(18,245)	–
Accretion	3,234	4,655
Change in estimation of liability	(16,405)	–
Balance, end of year	3,000	34,416
Less: current portion	3,000	34,416
Long-term portion	–	–

6. Share Capital

Authorized: Unlimited number of common shares without par value

On July 18, 2011, the Company issued 1,000,000 shares for proceeds of $50,000 pursuant to the exercise of share purchase warrants.

7. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, February 28, 2011	3,300,000	0.05
Exercised	(1,000,000)	0.05
Balance, February 29, 2012 and February 28, 2013	2,300,000	0.05

As at February 28, 2013, there are 2,300,000 share purchase warrants exercisable at $0.05 per share expiring on January 15, 2015 outstanding.

8. Finance Costs

	2013 $	2012 $
Accretion of discount on convertible debenture	28,070	28,070
Accretion of decommissioning costs	3,234	4,655
Interest expense	21,495	21,550
	52,799	54,275

9. Financial Instruments

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at February 28, 2013 is as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2013 $
Cash	1,000	–	–	1,000

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments. The fair value of the convertible debenture is estimated to approximate its carrying value based on borrowing rates currently available to the Company for a loan with similar terms.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of GST/HST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. As the Company does not have any producing assets or any current programs for exploration management considers the Company's commodity price risk to be minimal.

10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, equity component of convertible debt, and deficit.

The Company manages its capital The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged from the year ended February 29, 2012.

11. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred tax assets and liabilities, are as follows:

	2013 $	2012 $
Canadian statutory income tax rate	25%	26.25%
Income tax recovery at statutory rate	(24,574)	(47,892)
Tax effect of:		
Permanent differences and other	7,826	4,326
Change in enacted tax rates	–	2,075
Change in valuation allowance	16,748	41,491
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2013 $	2012 $
Deferred income tax assets		
Non-capital losses carried forward	203,727	187,335
Resource properties	83,379	83,023
Total gross deferred income tax assets	287,106	270,358
Valuation allowance	(287,106)	(270,358)
Net deferred income tax asset	–	–

11. Income Taxes (continued)

As at February 28, 2013, the Company has non-capital losses carried forward of $814,908, which are available to offset future years' taxable income. These losses expire as follows:

	$
2015	57,781
2026	56,949
2027	36,881
2028	93,472
2029	64,705
2030	150,619
2031	149,954
2032	138,981
2033	65,566
	814,908

The Company also has available resource related expenditure pools totalling $333,516 which may be deducted against future taxable income on a discretionary basis.

12. Subsequent Event

On March 6, 2013, the Company received $20,000 pursuant to a loan agreement dated February 25, 2013 with a non-related company to provide short term financing for the Company's operations. The loan bears interest at an annual rate of 20%, compounded monthly, and is due on February 24, 2014. The Company has the right to repay the loan in whole or in part at any time prior to the due date upon providing the lender not less than 30 days written notice.

VINERGY RESOURCES LTD.

(the “Company”)

FORM 51-102F1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2013

The following Management’s Discussion and Analysis, prepared as of June 21, 2013, should be read together with the audited consolidated financial statements for the year ended February 28, 2013 and the related notes attached thereto. These audited consolidated financial statements and MD&A include the results of operations and cash flows for the year ended February 28, 2013 and the reader must be aware that historical results are not necessarily indicative of the future performance. The reader may also wish to refer to the Company’s audited consolidated financial statements and MD&A for the year ended February 29, 2012. Financial results are reported in accordance with International Financial Reporting Standards (“IFRS”).

The aforementioned documents and additional disclosures pertaining to the Company’s press releases and other information are also available on the SEDAR website www.sedar.com.

Certain statements contained in this interim management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company’s prospects, political and economic conditions, commodity prices and other factors.

Description of Business

Vinergy Resources Ltd. was incorporated as Vanguard Investments Corp. under the provisions of the Alberta Business Corporations Act on March 20, 2001. The articles of the Company were amended on August 27, 2001 to remove the “private issuer” restrictions from its articles. The Company’s shares were listed for trading on the Canadian National Stock Exchange on April 14, 2010 under the trading symbol VIN.

The Company owns 100% of the shares of Zeus Energy Inc. (“Zeus” or the “Subsidiary”), a corporation incorporated under the Alberta Business Corporations Act on November 7, 2007 under the name 1361681 Alberta Inc. This company amended its articles to change its name to “Zeus Energy Inc.” on May 28, 2008.

On November 30, 2009, the Company entered into a Share Purchase Agreement for the acquisition of all of the shares of Zeus. In consideration of the acquisition, the Company issued 18,333,330 of the Company’s common shares. Legally, the Company is the parent of Zeus. However, as a result of the share exchange described above, control of the combined entities passes to the former shareholders of Zeus. This type of share exchange, referred to as a “reverse takeover,” deems Zeus to be the acquirer for accounting purposes.

Performance Summary

The Company’s business is presently carried on through the Subsidiary. References to the business of the Company include references to the business carried on through the Subsidiary unless stated otherwise.

Zeus is engaged in the exploration of oil and gas resources. It holds a 12.5% working interest before payout and 7.5% working interest after payout in four oil and gas leases in South Eastern Saskatchewan.

During the year ended February 28, 2011, the Company was advised by the operator of its farm-in agreement that the last of the four exploration wells was not producing oil and it would be prudent to abandon it. Zeus has an obligation to meet its pro rata share of ongoing costs to complete and receive clearance certificates for the abandonment of each of the four wells that were drilled. Abandonment of the four original wells drilled is now substantially complete.

The Company is actively pursuing new opportunities.

Selected Annual Information

The following table sets forth selected audited financial information of the Company from the last three completed financial years:

	2013 $	2012 $	2011 $
Total revenue	–	–	–
Net loss for the year	(98,295)	(182,445)	(362,493)
Basic and diluted loss per share	–	(0.01)	(0.02)
Total assets	15,049	57,589	73,562
Total long-term financial liabilities	162,368	134,298	106,227

The differences in the net loss during the last three years was mainly due to the write-down of oil and gas properties. The Company recorded a recovery of $16,405 from its oil and gas properties the year ended February 28, 2013 compared to write-downs of $nil and $194,315 for the years ended February 29, 2012 and February 28, 2011, respectively.

Results of Operations

During the year ended February 28, 2013 the Company incurred a net loss of $98,295 compared to a net loss of $182,445 the year ended February 29, 2012. The decrease in losses is predominately the result of a recovery of the write-downs on the Company's oil & gas properties and forgiveness of rent owed by the Company.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	February 28, 2013 $	November 30, 2012 $	August 31, 2012 $	May 31, 2012 $
Revenue	–	–	–	–
Net loss for the period	(7,991)	(37,899)	(12,441)	(39,964)
Basic and diluted loss per share	0.00	0.00	0.00	0.00

	February 29, 2012 $	November 30, 2011 $	August 31, 2011 $	May 31, 2011 $
Revenue	–	–	–	–
Net gain for the period	(77,248)	(33,961)	(40,357)	(30,879)
Basic and diluted loss per share	0.00	0.00	0.00	0.00

Liquidity and Capital Resources

At February 28, 2013, the Company had cash of $1,000 and a working capital deficiency of $328,820.

The Company is actively seeking other opportunities to provide shareholder value. Although historically the Company has been involved in oil and gas exploration and production, future prospects will not necessarily be restricted or limited to this sector or business. While management is confident that it will be able to raise funds, there can be no assurance that these funds will be available on terms acceptable to the Company in the future.

The Company has a $215,000 convertible debt due on January 16, 2015.

The year ended February 28, 2013 compared to the year ended February 29, 2012:

Operating activities:

For the year ended February 28, 2013, the Company's operating activities used cash of $22,481 compared to $51,527 for the year ended February 29, 2012.

Financing activities:

For the year ended February 28, 2013, the Company received cash of $Nil from the financing activities compared to the receipt of $50,000 for the year ended February 29, 2012.

Capital Management:

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, equity component of convertible debt, and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained from the year ended February 29, 2012.

Related Party Transactions

(a) For the year ended February 28, 2013, the amount of $28,800 (year ended February 29, 2012 – $28,800) was incurred to the President of the Company for management fees.

(b) For the year ended February 28, 2013, the amount of $19,200 (year ended February 29, 2012 - $19,200) was incurred to the spouse of the President of the Company for professional fees.

(c) For the year ended February 28, 2013, the amount of $nil (year ended February 29, 2012 - $36,000) was incurred to a company owned by the President of the Company for rent.

(d) During the year ended February 28, 2013, $18,000 (year ended February 29, 2012 - $nil) owed to a company owned by the President of the Company was forgiven.

(e) As at February 28, 2013, the amount of $234,286 (February 29, 2012 - $214,520) is owed to the President of the Company and companies controlled by the President of the Company which is non-interest bearing, unsecured, and due on demand.

(f) As at February 28, 2013, the amount of $50,600 (February 29, 2012 - $31,400) is owed to the spouse of the President of the Company, which is non-interest bearing, unsecured, and due on demand.

Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at February 28, 2013 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, February 28, 2013 $
Cash	1,000	–	–	1,000

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments. The fair value of the convertible debenture is estimated to approximate its carrying value based on borrowing rates currently available to the Company for a loan with similar terms.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of GST/HST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company's cash is currently held in current accounts with Chartered Canadian Banks and therefore the Company does not consider its exposure to interest rate fluctuations to be significant.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. As the Company does not have any producing assets or any current programs for exploration management considers the Company's commodity price risk to be minimal.

Disclosure by Venture Issuer Without Significant Revenue

An analysis of the material components of the Company's general and administrative expenses is disclosed in the audited consolidated financial statements for the year ended February 28, 2013 to which this MD&A relates.

Disclosure of Outstanding Share Data

Share Capital

Authorized: Unlimited common shares without par value

As at June 21, 2013, the Company had 24,033,330 shares issued and outstanding.

Share Purchase Warrants

As at June 21, 2013, the following share purchase warrants were outstanding.

Number of warrants outstanding	Exercise price $	Expiry date
2,300,000	0.05	January 15, 2015

Accounting Standards Issued But Not Yet Effective

Certain new standards, interpretations and amendments to existing standards are not yet effective for the year ended February 28, 2013 and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"

New standard IFRS 10, "Consolidated Financial Statements" and IFRS 12 "Disclosure of interests in Other Entities"

New standard IFRS 13, "Fair Value Measurement"

Amendments to IAS 1, "Presentation of Financial Statements"

The Company has not early-adopted these new and revised standards and is currently assessing the impact that these standards will have on its financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Subsequent Event

On March 6, 2013, the Company received $20,000 pursuant to a loan agreement dated February 25, 2013 with a non-related company to provide short term financing for the Company's operations. The loan bears interest at an annual rate of 20%, compounded monthly, and is due on February 24, 2014. The Company has the right to repay the loan in whole or in part at any time prior to the due date upon providing the lender not less than 30 days written notice.

SCHEDULE “F”

PROPERTY OPTION AGREEMENT BETWEEN VINERGY AND ARQ INVESTMENTS INC.

MEMORANDUM OF AGREEMENT made as of this 3rd day of January, 2014.

BETWEEN:

ARQ INVESTMENTS INC., a corporation incorporated pursuant to the laws of the Province of British Columbia,
(hereinafter referred to as "ARQ")

OF THE FIRST PART

- and -

VINERGY RESOURCES LTD., a corporation continued pursuant to the laws of the Province of British Columbia,
(hereinafter referred to as "Vinergy")

OF THE THIRD PART

PROPERTY OPTION AGREEMENT

THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. ARQ represents and warrants that it has a 100% interest in and to those certain mineral claims located in the Province of Ontario described in Schedule "A" attached hereto (which claims are herein referred to as the "ARQ Properties"), and that it has the full power and authority to enter into this Agreement.

2. Vinergy shall have the option to acquire a 50% working interest in the ARQ Properties, which shall be fully earned upon Vinergy completing the following:

   (a) incur exploration expenditures on the ARQ Properties in an amount of not less than $50,000 no later than June 30, 2014;

   (b) on or before December 31, 2014 pay to ARQ the amount of $25,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties);

   (c) incur exploration expenditures on the ARQ Properties in an amount of not less than an additional $100,000 (for a cumulative aggregate of $150,000) no later than December 31, 2015;

   (d) on or before December 31, 2015 pay to ARQ the additional amount of $50,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties);

   (e) incur exploration expenditures on the ARQ Properties in an amount of not less than and additional $100,000 (for a cumulative aggregate of $250,000) no later than December 31, 2016; and

   (f) on or before December 31, 2016 pay to ARQ the additional amount of $50,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share

equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties).

3. Upon Vinergy earning its working interests in the ARQ Properties, the ARQ Properties shall be operated by the parties on a joint venture basis, on the following terms and conditions:

   (a) All decisions regarding the operation of the ARQ Properties, including decisions regarding all exploration and development programs, shall be made by a management committee (the "Management Committee") to be established by the parties.

   (b) The Management Committee shall consist of one representative of each of the parties. Each of the representatives shall have a number of votes based upon their party's percentage working interest in the ARQ Properties. By way of example only, upon the initial establishment of the Management Committee the representatives' votes shall be as follows:

      (i) ARQ: 50 votes,
      (ii) Vinergy: 50 votes.

   (c) All decisions of the Management Committee shall be on a simple majority basis.

   (d) The Management Committee may appoint a manager (which may be a party hereto or its representative) to oversee the management of ARQ Properties and the Management Committee may delegate all or a portion of its authority to such manager.

   (e) The parties shall contribute to all expenses related to the ownership and operation of the ARQ Properties, including all work programs, in proportion to their working interests. If any party fails to pay their proportionate share of such expenses then the other parties may pay such share (in proportion to their respective working interests unless they agree otherwise) and in such case the defaulting party's interest shall be diluted (with a corresponding increase in the working interests of the other parties), based upon each party's cumulative expense contributions divided by the aggregate cumulative expense contributions of all parties. For the purpose of such calculations, the cumulative expense contributions of each party at the time of the establishment of the joint venture shall be deemed to be as follows (regardless of what they actually are at such time):

      (i) Vinergy: $50,000
      (ii) ARQ: $50,000

4. The parties may, but are not obligated to, enter into a formal Joint Venture Agreement or, from time to time, establish further and other joint venture terms by mutual agreement.

5. Vinergy acknowledges that its working interest in the ARQ Property shall be subject to the area of mutual interest provision described in section 1.

6. The Parties acknowledge that Vinergy intends to assign all of its interests under this agreement to a wholly owned subsidiary incorporated pursuant to the laws of the Province of British Columbia to be called Jonpol Rare Earths Inc..

7. Until such time as the joint venture referred to in section 6 is formed Vinergy shall file reports of its assessment work as required, and thereafter such filings shall be the responsibility of the joint venture.

8. If the titles to the ARQ Properties are not registered in Vinergy's name as its interest appear herein, the registered owner(s) of the ARQ Properties shall hold the title to the ARQ Properties in trust for the parties in accordance with their respective working interests.

9. Each party agrees to indemnify and hold harmless the other parties from all losses actually incurred by such other party in connection with a breach of any representation or warranty made by it and contained herein.

10. The rights, privileges, duties, obligations and liabilities, as between the parties shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, in association, agency or, subject as herein specifically provided, a trust of any kind or as imposing upon any of the parties any partnership obligation or liability. No party is liable for the acts, covenants and agreements of another party, except as herein specifically provided.

11. Each party shall at all times during the currency of this Agreement, act in good faith with respect to the other parties and shall do or cause to be done all things within their respective powers which may be necessary or desirable to give full force to the provisions hereof.

12. No party may assign its interest under this Agreement or in the ARQ Properties without the consent of the other parties, which consent shall not be arbitrarily or unreasonably withheld.

13. This Agreement shall enure to the benefit of and be binding upon the parties and each of their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, but no other person.

14. The parties agree that all information obtained hereunder shall be exclusive properties of the parties hereto and shall not be publicly disclosed or used other than for the activities contemplated hereunder, except as required by applicable law or by the rules and regulations of any regulatory authority or Stock Exchange having jurisdiction. The parties acknowledge that one or more of them are reporting issuers under Canadian securities legislation and, as such, are subject to continuous disclosure obligations that will require them to disclose certain information regarding the ARQ Properties, this Agreement and the joint venture arrangements.

15. This Agreement shall be subject to the receipt of all regulatory approvals that may be required including, but not limited to, if applicable, approval of the TSX Venture Exchange.

16. The parties agree to execute such other documents and do all such other things that may be required to give full force and effect to this Agreement.

17. Any notice or other communications required or permitted to be given by any party hereto to any other party shall be in writing and shall be telefaxed, emailed, delivered personally or mailed by prepaid registered mail addressed to the party to which it is to be given as follows:

    (a) if to Vinergy:

        6012 - 85 Avenue
        Edmonton, AB
        T6B 0J5
        Email: drcliff@telusplanet.net

    (c) if to ARQ:

        9700 Desmond Road
        Richmond, BC

V7E 1R2
Email: dbajwa@arqii.com

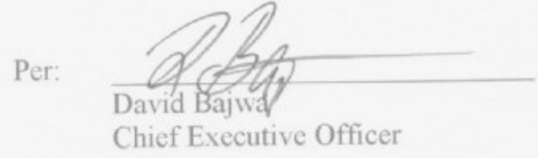
Every such communication mailed at any post office in Canada by prepaid registered post in an envelope addressed to the party to whom same is directed shall be deemed to have been given to and received by the addressee on the fifth (5th) business day following the mailing thereof except where there exists a labour strike or other disruption to postal service, the result of which is the interference of normal mail delivery, in which case every communication provided for in this Agreement or arising in connection therewith shall be in writing and shall be telefaxed or delivered to the Parties at the above addresses during normal business hours, when it shall be deemed to have been received on the day of actual receipt. Every party may change its mailing or delivery address by giving to the other Parties hereto written notice to that effect.

18. This Agreement represents the entire agreement of the parties respecting the subject matters hereof and supersedes and replaces all prior or contemporaneous agreements, understandings, and negotiations respecting the subject matters hereof.

19. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the Federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed these presents as of the date and year first above written.

ARQ INVESTMENTS INC.

Per: 
David Bajwa
Chief Executive Officer

VINERGY RESOURCES LTD.

Per: ______________________________
Randy Clifford
President

V7E 1R2
Email: djbajwa@arqii.com

Every such communication mailed at any post office in Canada by prepaid registered post in an envelope addressed to the party to whom same is directed shall be deemed to have been given to and received by the addressee on the fifth (5th) business day following the mailing thereof except where there exists a labour strike or other disruption to postal service, the result of which is the interference of normal mail delivery, in which case every communication provided for in this Agreement or arising in connection therewith shall be in writing and shall be telefaxed or delivered to the Parties at the above addresses during normal business hours, when it shall be deemed to have been received on the day of actual receipt. Every party may change its mailing or delivery address by giving to the other Parties hereto written notice to that effect.

18. This Agreement represents the entire agreement of the parties respecting the subject matters hereof and supersedes and replaces all prior or contemporaneous agreements, understandings, and negotiations respecting the subject matters hereof.

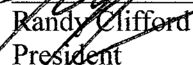
19. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the Federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed these presents as of the date and year first above written.

ARQ INVESTMENTS INC.

Per: ____________________________
David Bajwa
Chief Executive Officer

VINERGY RESOURCES LTD.



Per: ____________________________
Randy Clifford
President

SCHEDULE “A”

ARQ Properties

Southern Ontario Mining Division 70 – Claim 1500091 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500092 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500093 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500094 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500095 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500096 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500097 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500098 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500099 – Township: Maria (G-1387) – Claim Units 2
Southern Ontario Mining Division 70 – Claim 1500100 – Township: Maria (G-1387) – Claim Units 2

SCHEDULE "G"

CONTRACT OF PURCHASE AND SALE BETWEEN VINERGY AND TBG CAPITAL INC.

CONTRACT OF PURCHASE AND SALE

THIS AGREEMENT made as of the 29th day of November, 2013.

BETWEEN:

TBG Capital Inc.
Box 3056
Beaumont, AB, T4X 1K8

(the "Sellers")

AND:

Vinergy Resources Ltd.,
6012 – 85 Avenue
Edmonton, AB, T6B 0J5

(the "Purchaser")

PROPERTY:

22246 Township Road 500 92.990 Acres_
ADDRESS OF PROPERTY

Leduc	---	203020
CITY/TOWN/MUNICIPALITY	POSTAL CODE	PID

Lot A, Block 18, Plan 9321185, SEC 3 SW QTR, TWP 50 RNG 22 MER 4 Leduc CTY
LEGAL DESCRIPTION

(the'Property")

The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. PURCHASE PRICE: The purchase price of the Property will be Six Hundred and Fifty Thousand Dollars $650,000.00 (Purchase Price).

2. DEPOSIT: A total deposit of Fifty Thousand Dollars ($50,000.00) which will form part

of the Purchase Price. Payment will be made on the following terms:

I. $2,500.00 non-refundable deposit within 72 hours of acceptance of this contract;

II. $47,500.00 non-refundable deposit with completion of a successful feasibility study of the Property on or before March 31st 2014;

III. $600,000.00 upon completion.

All monies paid pursuant to the section (deposit) will be delivered directly to the Seller. In the event the Buyer fails to pay any of the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

3. **TERMS AND CONDITIONS:** The purchase and sale of the Property includes the following terms and is subject to the following conditions:

No other terms and conditions

Each condition, if so indicated, is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable.

4. **COMPLETION:** The sale will be completed on June 30, 2014 (Completion date) at the appropriate Land Title Office.

5. **POSSESSION:** The Buyer will have possession of the Property at 12p.m. on June 30, 2014 (Possession Date).

6. **ADJUSTMENTS:** The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel, utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of June 30, 2014 (Adjustment Date).

7. **INCLUDED ITEMS:** The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:

No other items included

8. **VIEWED:** The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on November, 15th, 2013.

9. **TITLE:** Free and clear of all encumbrances except subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, if any, and except as otherwise set out herein.

10. **TENDER:** Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.

11. **DOCUMENTS:** All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 p.m. on the Completion Date.

12. **TIME:** Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount pad by the Buyer will be absolutely forfeited to the Seller on account of damages, without prejudice to the Seller's other remedies.

13. **BUYER FINANCING:** If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay die Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodge for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").

14. **CLEARING TITLE:** If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.

15. **COSTS**: The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.

16. **RISK:** All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 a.m. on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.

17. **PLURAL:** In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.

18. **REPRESENTATIONS AND WARRANTIES:** There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.

19. **ACCEPTANCE IRREVOCABLE (Buyer and Seller):** The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:

A. fulfill or waive the terms and conditions herein contained; and/or
B. exercise any option(s) herein contained.

20. **THIS IS A LEGAL DOCUMENT. READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.**

21. **OFFER:** This offer, or counter-offer, will be open for acceptance until 12 o'clock p.m. on January 8, 2014 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

"D. Clifford"	*"Randy Clifford"*	Randy Clifford
WITNESS	**BUYER**	**PRINT NAME**

22. **ACCEPTANCE:** The Seller hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above.

Seller's acceptance is dated January 6, 2014.

"B. Stang"	"Wendy Stang"	Wendy Stang
WITNESS	**SELLER**	**PRINT NAME**

SCHEDULE "H"

PROPERTY OPTION AGREEMENT BETWEEN VINERGY AND JESCORP CAPITAL INC.

MEMORANDUM OF AGREEMENT made as of this 6th day of January, 2014.

BETWEEN:

JESCORP CAPITAL INC., a corporation incorporated pursuant to the laws of the Province of British Columbia,
(hereinafter referred to as "JESS")

OF THE FIRST PART

- and -

VINERGY RESOURCES LTD., a corporation continued pursuant to the laws of the Province of British Columbia,
(hereinafter referred to as "Vinergy")

OF THE THIRD PART

PROPERTY OPTION AGREEMENT

THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. JESS represents and warrants that it has the right to acquire a 50% interest in and to those certain mineral claims located in the Province of Ontario described in Schedule "A" attached hereto (which claims are herein referred to as the "Hyman Properties"), subject only to a royalty interest (the "Royalty") assigned by the previous owner obligating JESS to pay a royalty equal to $0.20 for each pound of uranium produced and sold from the Hyman Properties, with a minimum payment of $12,000 per year, and also subject to an area of mutual interest provision under with a previous owner of the Hyman Properties is to be granted a 1% carried interest in any additional properties acquired within a 1 mile radius, and that it has the full power and authority to enter into this Agreement.

2. Vinergy shall have the option to acquire a 50% working interest in the Hyman Properties, which shall be fully earned upon Vinergy completing the following:

   (a) incur exploration expenditures on the Hyman Properties in an amount of not less than $50,000 no later than December 31, 2014;

   (b) on or before December 31, 2014 pay to JESS the amount of $25,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties);

   (c) incur exploration expenditures on the Hyman Properties in an amount of not less than an additional $100,000 (for a cumulative aggregate of $150,000) no later than December 31, 2015;

   (d) on or before December 31, 2015 pay to JESS the additional amount of $50,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties);

(e) incur exploration expenditures on the Hyman Properties in an amount of not less than and additional $100,000 (for a cumulative aggregate of $250,000) no later than December 31, 2016; and

(f) on or before December 31, 2016 pay to JESS the additional amount of $50,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties).

3. Notwithstanding that Vinergy shall be responsible for its proportionate share of the Royalty upon commencement of production from the Hyman Properties, JESS shall continue to be responsible to pay the minimum annual amount of the Royalty for so long as it has a working interest in the Hyman Properties.

4. Upon Vinergy earning its working interests in the Hyman Properties, the Hyman Properties shall be operated by the parties on a joint venture basis, on the following terms and conditions:

(a) All decisions regarding the operation of the Hyman Properties, including decisions regarding all exploration and development programs, shall be made by a management committee (the "Management Committee") to be established by the parties.

(b) The Management Committee shall consist of one representative of each of the parties. Each of the representatives shall have a number of votes based upon their party's percentage working interest in the Hyman Properties. By way of example only, upon the initial establishment of the Management Committee the representatives' votes shall be as follows:

(i) JESS: 50 votes,
(ii) Vinergy: 50 votes.

(c) All decisions of the Management Committee shall be on a simple majority basis.

(d) The Management Committee may appoint a manager (which may be a party hereto or its representative) to oversee the management of Hyman Properties and the Management Committee may delegate all or a portion of its authority to such manager.

(e) With the exception of JESS's obligation to make the minimum annual Royalty payments, the parties shall contribute to all expenses related to the ownership and operation of the Hyman Properties, including all work programs, in proportion to their working interests. If any party fails to pay their proportionate share of such expenses then the other parties may pay such share (in proportion to their respective working interests unless they agree otherwise) and in such case the defaulting party's interest shall be diluted (with a corresponding increase in the working interests of the other parties), based upon each party's cumulative expense contributions divided by the aggregate cumulative expense contributions of all parties (excluding in each case the minimum annual Royalty). For the purpose of such calculations, the cumulative expense contributions of each party at the time of the establishment of the joint venture shall be deemed to be as follows (regardless of what they actually are at such time):

(i) Vinergy: $50,000
(ii) JESS: $20,000

5. The parties may, but are not obligated to, enter into a formal Joint Venture Agreement or, from time to time, establish further and other joint venture terms by mutual agreement.

6. Vinergy acknowledges that its working interest in the Hyman Property shall be subject to the Royalty and the area of mutual interest provision described in section 1. The parties' working interests in the Hyman Properties shall include a corresponding interest in the option to purchase the Royalty granted to JESS by the Royalty holder.

7. The Parties acknowledge that Vinergy intends to assign all of its interests under this agreement to a wholly owned subsidiary incorporated pursuant to the laws of the Province of British Columbia to be called Jonpol Rare Earths Inc..

8. Until such time as the joint venture referred to in section 6 is formed Vinergy shall file reports of its assessment work as required, and thereafter such filings shall be the responsibility of the joint venture.

9. If the titles to the Hyman Properties are not registered in Vinergy's name as its interest appear herein, the registered owner(s) of the Hyman Properties shall hold the title to the Hyman Properties in trust for the parties in accordance with their respective working interests.

10. Each party agrees to indemnify and hold harmless the other parties from all losses actually incurred by such other party in connection with a breach of any representation or warranty made by it and contained herein.

11. The rights, privileges, duties, obligations and liabilities, as between the parties shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, in association, agency or, subject as herein specifically provided, a trust of any kind or as imposing upon any of the parties any partnership obligation or liability. No party is liable for the acts, covenants and agreements of another party, except as herein specifically provided.

12. Each party shall at all times during the currency of this Agreement, act in good faith with respect to the other parties and shall do or cause to be done all things within their respective powers which may be necessary or desirable to give full force to the provisions hereof.

13. No party may assign its interest under this Agreement or in the Hyman Properties without the consent of the other parties, which consent shall not be arbitrarily or unreasonably withheld.

14. This Agreement shall enure to the benefit of and be binding upon the parties and each of their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, but no other person.

15. The parties agree that all information obtained hereunder shall be exclusive properties of the parties hereto and shall not be publicly disclosed or used other than for the activities contemplated hereunder, except as required by applicable law or by the rules and regulations of any regulatory authority or Stock Exchange having jurisdiction. The parties acknowledge that one or more of them are reporting issuers under Canadian securities legislation and, as such, are subject to continuous disclosure obligations that will require them to disclose certain information regarding the Hyman Properties, this Agreement and the joint venture arrangements.

16. This Agreement shall be subject to the receipt of all regulatory approvals that may be required.

17. The parties agree to execute such other documents and do all such other things that may be required to give full force and effect to this Agreement.

18. Any notice or other communications required or permitted to be given by any party hereto to any other party shall be in writing and shall be telefaxed, emailed, delivered personally or mailed by prepaid registered mail addressed to the party to which it is to be given as follows:

(a) if to Vinergy:

6012 - 85 Avenue
Edmonton, AB
T6B 0J5
Email: drcliff@telusplanet.net

(c) if to JESS:

846 Field Crescent
Parksville, BC
V9P 2N8
Email: mww9999@gmail.com

Every such communication mailed at any post office in Canada by prepaid registered post in an envelope addressed to the party to whom same is directed shall be deemed to have been given to and received by the addressee on the fifth (5th) business day following the mailing thereof except where there exists a labour strike or other disruption to postal service, the result of which is the interference of normal mail delivery, in which case every communication provided for in this Agreement or arising in connection therewith shall be in writing and shall be telefaxed or delivered to the Parties at the above addresses during normal business hours, when it shall be deemed to have been received on the day of actual receipt. Every party may change its mailing or delivery address by giving to the other Parties hereto written notice to that effect.

19. This Agreement represents the entire agreement of the parties respecting the subject matters hereof and supersedes and replaces all prior or contemporaneous agreements, understandings, and negotiations respecting the subject matters hereof.

20. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the Federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed these presents as of the date and year first above written.

JESCORP CAPITAL INC.

Per:
Michael Wilson
Chief Executive Officer

VINERGY RESOURCES LTD.

Per: ______________________
Randy Clifford
President

18. Any notice or other communications required or permitted to be given by any party hereto to any other party shall be in writing and shall be telefaxed, emailed, delivered personally or mailed by prepaid registered mail addressed to the party to which it is to be given as follows:

    (a) if to Vinergy:

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        Email: drcliff@telusplanet.net

    (c) if to JESS:

        846 Field Crescent
        Parksville, BC
        V9P 2N8
        Email: mww9999@gmail.com

    Every such communication mailed at any post office in Canada by prepaid registered post in an envelope addressed to the party to whom same is directed shall be deemed to have been given to and received by the addressee on the fifth (5th) business day following the mailing thereof except where there exists a labour strike or other disruption to postal service, the result of which is the interference of normal mail delivery, in which case every communication provided for in this Agreement or arising in connection therewith shall be in writing and shall be telefaxed or delivered to the Parties at the above addresses during normal business hours, when it shall be deemed to have been received on the day of actual receipt. Every party may change its mailing or delivery address by giving to the other Parties hereto written notice to that effect.

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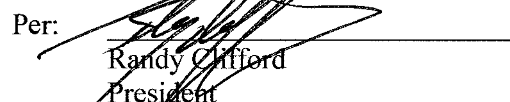
IN WITNESS WHEREOF the parties have executed these presents as of the date and year first above written.

JESCORP CAPITAL INC.

Per: ______________________________
Michael Wilson
Chief Executive Officer

VINERGY RESOURCES LTD.

Per: 
Randy Clifford
President

SCHEDULE "A"

Hyman Properties

Sudbury Division 70 – Claim S4254057 – Township: Hyman (G-2966) – Claim Units 16
Sudbury Division 70 – Claim S4254056 – Township: Hyman (G-2966) – Claim Units 16
Sudbury Division 70 – Claim S4203204 – Township: Porter (G-2865) – Claim Units 8
Sudbury Division 70 – Claim S4203205 – Township: Porter (G-2865) – Claim Units 15
Sudbury Division 70 – Claim S4203206 – Township: Porter (G-2865) – Claim Units 15

SCHEDULE “I”

BUSINESS PLAN

Leucadia Investment Partners Inc.

BUSINESS PLAN

The intended business of Leucadia Investment Partners Inc. is to be involved in three complimentary sectors in the merchant banking business: (1) establishing a portal based upon crowdfunding principles to both attract private businesses, entrepreneurs and inventors to post their business plan on the Company's website to attract investors and correspondingly establish a database of accredited investors that can access the Company's portal to review potential deals of interest; (2) provide assistance to Entrepreneurs to access capital and/or reorganize their corporate structure in consideration of an equity participation; (3) secure minimum capital to both meet the CNSX capital requirements of an Investment Issuer and to allow the Company to make investments directly in investee companies.

Crowdfunding, in its simplest terms, is a global movement towards broadening the investor base in small businesses by lowering accreditation standards of investors and changing the rules respecting the marketing of investment opportunities. Steven Case, the former AOL executive, often quips that "an average middle class person can go to Las Vegas and gamble away $10,000, but that same person is prohibited from investing $10,000 in Facebook before it is public". The equity crowdfunding movement seeks to change this paradigm.

The Company intends to either establish or acquire a platform. The platform is intended to be quite robust and provide significant tools for all participants, including the entrepreneur, the investor and the deal sponsor. Key elements of the platform include robust Client Relationship Management tools, legal/compliance, and post-deal investor relations and management capabilities. The platform also provides for localization, allowing for customizations on a market to market basis for language, currency and specific securities laws.

In order to provide fairness to the current shareholders of VIN who had invested in the company based on its resource properties that it currently owns and/or has, it is best for VIN to spin out a separate company concentrating on providing such merchant banking consulting services. As each shareholder of VIN prior to the effective record distribution date will also own shares of the Company upon completion of the spin-out, it will provide maximum benefits and returns to the shareholders of VIN.

SCHEDULE “J”

LETTER OF INTENT BETWEEN VINERGY AND HOLE ONE HOLDINGS LTD.

VINERGY RESOURCES LTD.

6012-85 Avenue,
Edmonton, AB, T6B 0J5

January 6, 2014

Hole One Holdings Ltd.
839 Elrick Place
Victoria, British Columbia
V9A 4T2

RE: LETTER OF INTENT

Dear Sirs/Mesdames:

The purpose of this Letter of Intent ("Letter") is to set forth certain non-binding understandings and certain binding obligations between Vinergy Resources Ltd. ("Vinergy") and Hole One Holdings Ltd. (the "Company") and the shareholders of Talisman Venture Partners Ltd. (the "Vendor"), owners of 100% of the issued and outstanding capital stock of the Company, with respect to a proposed transaction in which Vinergy will form a subsidiary (the "Purchaser") to purchase all of the issued and outstanding capital stock of the Company (the "Shares") from the Vendor. For purposes of this Letter, Vinergy, the Purchaser, the Company and the Vendor are sometimes collectively referred to as "parties" and individually as a "party."

The terms of the share purchase transaction will be more particularly set forth in a share purchase agreement and one or more definitive agreements (collectively, the "Definitive Agreement") to be mutually agreed upon by the parties. It is expected and planned at this time to effect the business combination in the form of a three-cornered amalgamation between the Purchaser and the Company pursuant to the *Business Corporations Act* (British Columbia) to form a wholly owned subsidiary of the purchaser to continue the business of the Company ("Amalco"), in which case the Definitive Agreement will be in the form of a three-cornered amalgamation agreement. This Letter outlines the proposed transaction based on each party's present understanding of the current condition of the assets, financial position and business operations of the Company. In particular, Vinergy understands that the Company, through its affiliates, has 100% ownership of a business focused on the Distribution, Production and Financing of Motion Pictures, New Media and Television assets. During the past 12 months, Talisman, through its affiliates, has been engaged in establishing a portal to achieve several objectives, including: (1) sourcing scripts or other early stage projects requiring funding capital to complete their production; (2) distributing media assets through a pipeline of sources including <><><>; and (3) Financing of all elements including the acquisition of projects, distribution of projects and the creation of projects. In addition, efforts have been taken to develop innovative distribution methods including the establishment of a Video-on-demand platform. The Vendor further understands that in order to effect the transactions contemplated in this Letter, Vinergy will be required to effect a corporate reorganization prior to undertaking any of the transactions oulined in this Letter, and in relation to its corporate reorganization will seek shareholder approval to spin out a subsidiary which will then merge with the Company through a three-cornered amalgamation.

The following numbered Sections 1 - 3 of Part One constitute a general outline of the proposed transaction, the purchase price, key ancillary agreements and important conditions. The provisions shall be included in the Definitive Agreement, but in all instances shall be subject to and contingent upon the parties reaching agreement on the Definitive Agreement and the terms and conditions set forth in the Definitive Agreement. The parties expressly state their intention that this Letter as a whole, and Sections 1 - 3 of Part One in

particular, do not and shall not constitute a legal and binding obligation, contract or agreement between any of the parties, are not intended to be an extensive summary of all of the terms and conditions of the proposed acquisition or the Definitive Agreement, and are subject to the approval by both Parties. The parties do, however, expressly intend that Sections 4 - 9 of Part Two of this Letter, upon acceptance by both Parties, shall constitute the parties' agreement with respect to the procedures for negotiation and preparation of the Definitive Agreement.

PART ONE: NON-BINDING STATEMENT OF UNDERSTANDING

1. ACQUISITION OF THE SHARES

1.1 Subject to:

(a) the satisfactory results of due diligence by the Purchaser and its legal counsel (as provided for in Section 4 hereof) and the making of any agreed upon adjustments to the acquisition price reflecting the assets, liabilities (both known and contingent), finances and business operations of the Company;

(b) the Vendor entering into an escrow agreement for the scheduled release of seed shares in compliance with all applicable securities regulations and stock exchange rules, if any;

(c) Vinergy agreeing to obtain all necessary corporate, regulatory and shareholder approvals to a share exchange ratio on the basis of one new common share of Amalco for every one issued and outstanding common share of Vinergy prior to the spin-off of a subsidiary or subsidiaries, and prior to closing of the Definitive Agreement;

(d) the ability of Vinergy to obtain any necessary regulatory and shareholder approval to the propose transaction and the share issuance by the Purchaser in consideration for the Purchase Price (as defined below);

(e) the Vendor to pay for finders fees, if any, immediately prior to closing,

(f) also subject to the conditions, agreements and undertakings referred to below in this Letter,

1.2 The Purchaser shall purchase the capital stock of the Company (the "Purchase Price"), subject to the terms and conditions of the Definitive Agreement. The Purchase Price shall be paid on the Closing Date by the issuance of approximately 10,000,000 post consolidated common shares of the capital stock of the Purchaser at a deemed price of $0.05 per common share to the Vendor. The exact number of shares to be issued will be determined prior to entering into the Definitive Agreement.

2. PREPARATION OF THE DEFINITIVE AGREEMENT

2.1 The parties will negotiate the terms and begin preparation of the Definitive Agreement that will govern the Purchaser's proposed acquisition of the capital stock of the Company from the Vendor. To the extent appropriate for transactions of this type and size, the Definitive Agreement will contain such customary representations, warranties, covenants, indemnities and other ancillary agreements of the parties, including but not limited to:

(a) representations and warranties related to each party's power and authority to enter into the Definitive Agreement and perform its obligations thereunder;

(b) ownership and title to the capital stock of the Company and that such interest will be conveyed free and clear of all encumbrances;

(c) various representations and warranties concerning the Company and the Purchaser such as due organization, good standing, ownership of assets and properties, the absence of violation of other agreements and laws, the accuracy of financial information being relied upon, and other matters customary for transactions of this sort;

(d) indemnities from the Vendor in favour of the Purchaser against all claims and liabilities with respect to breach of such representations and warranties concerning the ownership interest in the capital stock of the Company in favour of the Purchaser against all claims and liabilities with respect to breach of such representations and warranties;

(e) indemnities from the Purchaser in favour of the Vendor against all claims and liabilities with respect to breach of the Purchaser's representations and warranties.

2.2 The Definitive Agreement is expected to include, without limitation:

(a) the purchase and sale by the Purchaser of the capital stock in the Company from the Vendor; and

(b) such other ancillary agreements reasonably necessary or desirable in connection with any of the foregoing arrangements or any transaction contemplated herein.

2.3 Closing Date – The Closing Date of the purchase of Shares will take place on the date as specified in the Definitive Agreement and in no event later than 60 days from the date of the Definitive Agreement, or as otherwise mutually agreed to among the parties.

3. CONDITIONS PRECEDENT TO THE CLOSING OF THE PROPOSED ACQUISITION

3.1 The Definitive Agreement shall include such customary conditions precedent as are generally applicable to an acquisition of the nature and size of the transactions contemplated by this Letter, each of which must be satisfied prior to the consummation of the transactions contemplated thereby. In general, the closing of the proposed acquisition and the obligations of each party under the Definitive Agreement will be subject to the satisfaction of the conditions precedent, which shall include but not be limited to:

(a) **Satisfactory Results of Due Diligence**. The satisfactory completion of due diligence investigation by the Purchaser (as provided in Section 4) showing that the assets of the Company and any actual or contingent liabilities against those assets, and the prospective business operations by the Purchaser of the Company's business are substantially the same as currently understood by the Purchaser as of the date of this Letter;

(b) **Completion of Adequate Financing.** The completion of adequate financing by either the Company or the Purchaser, or jointly by the Company and the Purchaser, at a price per unit or common share to be determined by the Company or the Purchaser or jointly by the Company and the Purchaser, as the case may be, to satisfy the project development expenditure requirements to qualify for listing on the Canadian National Stock Exchange ("CNSX") and to satisfy the business objectives of the Company to expand and develop its media assets;

(c) **Vinergy and the Purchaser Obtaining Requisite Shareholder and Regulatory Approvals.** The ability of Vinergy and the Purchaser to obtain any necessary regulatory and shareholder approval to the acquisition of the Company's shares;

(d) **Compliance**. Satisfactory determination that the acquisition and prospective business operations by the Purchaser of the Company's business will comply with all applicable laws and regulations;

(e) **Absence of Material Litigation or Adverse Change.** There must be no pending or threatened material claims or litigation involving the Company, and no "material adverse change" in the business prospects of the Purchaser operating the Company's business; "material adverse change" is defined as any amount greater than $15,000.00; and

(f) **Delivery of Legal Opinions.** Customary legal opinions must be delivered, the content of which shall be mutually agreed upon between counsel.

PART TWO: AGREEMENTS OF THE PARTIES REGARDING THE PROCEDURES, FOR NEGOTIATION AND PREPARATION OF THE DEFINITIVE AGREEMENT

In consideration of all costs to be borne by *each* party in pursuing the acquisition and sale contemplated by this Letter and in consideration of the mutual undertakings by the parties as to the matters described in this Letter, upon execution of counterparts of this Letter by each party, the following Sections 4 - 9 will constitute legally binding and enforceable agreements of the parties regarding the procedures for the negotiation and preparation of the Definitive Agreement.

4. DUE DILIGENCE

4.1 From the date of acceptance by the parties of the terms of this Letter, until the negotiations are terminated as provided in Section 9 of this Letter, the Company will give the Purchaser and the Purchaser's management personnel, legal counsel, accountants, and technical and financial advisors, full and unrestricted access and opportunity to inspect, investigate and audit the books, records, contracts, and other documents of the Company as it relates to the Company's business and all of the Company's assets and liabilities (actual or contingent), including, without limitation, inspecting the Company's properties and conducting additional environmental inspections of the properties and reviewing financial records, contracts, operating plans, and other business records, for the purposes of evaluating issues related to the operation of the Company's business. The Company further agrees to provide the Purchaser with such additional information as may be reasonably requested pertaining to the Company's business and assets to the extent reasonably necessary to complete the Definitive Agreement.

5. CONFIDENTIALITY

5.1 By their signature below, each party agrees to keep in strict confidence all information regarding the terms of the proposed acquisition of the capital stock, except to the extent the Purchaser must disclose information to lenders and equity partners to obtain necessary debt and equity financing. If this proposal is terminated as provided in Section 8 below, each party upon request will promptly return to the other party all documents, contracts, records, or other information received by it that disclose or embody confidential information of the other party. The Purchaser agrees to keep all material and information provided to it, under Section 4 above, confidential and to promptly return the same to the Company upon termination of this Letter. The provisions of this Section shall survive termination of the agreements set forth in Sections 4 - 9.

6. PUBLIC DISCLOSURE

6.1 No party will make any public disclosure or issue any press releases pertaining to the existence of this Letter or to the proposed acquisition and sale between the parties without having first obtained

the consent of the other parties, except for such communications with employees, customers, suppliers, governmental agencies, and other groups as may be legally required or reasonably necessary or appropriate (i.e., any securities filings or notices), and which are not inconsistent with the prompt consummation of the transactions contemplated in this Letter. The provisions of this Section shall survive termination of the agreements set forth in Sections 4 - 9.

7. DISCLAIMER OF LIABILITIES

7.1 Except for breach of any confidentiality provisions hereof, no party to this Letter shall have any liability to any other party for any liabilities, losses, damages (whether special, incidental or consequential), costs, or expenses incurred by the party in the event the negotiations among the parties are terminated as provided in Section 8. Except to the extent the Vendor agrees to cover costs of the corporate re-organization to complete this transaction and otherwise provided in the Definitive Agreement entered into by the parties, each party shall be solely responsible for their own expenses, legal fees, accounting fees, and consulting fees related to the negotiations described in this Letter, whether or not any of the transactions contemplated in this Letter are consummated.

8. TERMINATION

8.1 Except for the provisions set forth in Sections 4 - 9 of Part Two, each party hereby reaffirms its intention that this Letter as a whole, and Sections 1 - 3 in particular, are not intended to constitute, and shall not constitute, a legal and binding obligation, contract or agreement between any of the parties, and are not intended to be relied upon by any party as constituting such. If any party withdraws from dealing or negotiation prior to the Closing Date, or fails to negotiate in good faith, or if each party hereto has not entered into the Definitive Agreement by the Closing Date, then any obligation to negotiate and prepare the Definitive Agreement or otherwise deal with any other party to this Letter, and the agreements of the parties set forth in Sections 4 - 9 shall immediately terminate. It is agreed, however, that the terms of any amalgamation agreement or other Definitive Agreement entered into by the parties has control over the right to withdraw from dealing or negotiations in this Letter.

9. EXCLUSIVE OPPORTUNITY AND DEPOSIT

9.1 The Company agrees that neither of them will pursue, solicit or discuss any opportunities for any party other than the Purchaser to acquire or otherwise control the capital stock of the Company until this Letter is terminated by the Purchaser or within 60 days from the date of this Letter or any of the events in Section 9 do not occur within 60 days of the date of this Letter and the Vendor notifies the Purchaser in writing that it is pursuing other buyers for the capital stock of the Company.

9.2 If the terms of this Letter are agreeable to the Vendor and the Company, please sign a copy of this Letter and return a signed copy by January 6, 2014 at 4:30 p.m., by electronic mail to Vinergy's CEO at drcliff@telusplanet.net, followed by a couriered original signed copy to #106, 1641 Lonsdale Avenue, North Vancouver, B.C., V7M 2T5. This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original, but all of which taken together shall constitute one and the same document. Upon acceptance of the binding provisions of this Letter (those provisions set forth in Sections 4 - 9) by each party, the parties will negotiate in good faith to prepare and enter into the Definitive Agreement to govern the proposed acquisition and sale, subject to the termination provisions set forth in Section 9 above.

ACCEPTED BY ALL OF THE UNDERSIGNED PARTIES ON THIS _6th_ DAY OF JANUARY, 2014.

VINERGY RESOURCES LTD.

______________________________	Per: *"Randy Clifford"*
Witness	Randy Clifford

HOLE ONE HOLDINGS LTD.

______________________________	Per: *"Nicholas Watters"*
Witness	Nicholas Watters

SCHEDULE “K”

PROPERTY OPTION AGREEMENT BETWEEN VINERGY AND JESCORP CAPITAL INC.

MEMORANDUM OF AGREEMENT made as of this 6th day of January, 2014.

BETWEEN:

JESCORP CAPITAL INC., a corporation incorporated pursuant to the laws of the Province of British Columbia,
(hereinafter referred to as "JESS")

OF THE FIRST PART

\- and -

VINERGY RESOURCES LTD., a corporation continued pursuant to the laws of the Province of British Columbia,
(hereinafter referred to as "Vinergy")

OF THE THIRD PART

PROPERTY OPTION AGREEMENT

THIS AGREEMENT WITNESSETH THAT in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

1. JESS represents and warrants that it has the right to acquire a 50% interest in and to those certain mineral claims located in the Province of Ontario described in Schedule "A" attached hereto (which claims are herein referred to as the "RCU Properties"), subject only to a royalty interest (the "Royalty") assigned by the previous owner obligating JESS to pay a royalty equal to $0.20 for each pound of uranium produced and sold from the RCU Properties, with a minimum payment of $12,000 per year, and also subject to an area of mutual interest provision under with a previous owner of the RCU Properties is to be granted a 1% carried interest in any additional properties acquired within a 1 mile radius, and that it has the full power and authority to enter into this Agreement.

2. Vinergy shall have the option to acquire a 50% working interest in the RCU Properties, which shall be fully earned upon Vinergy completing the following:

   (a) incur exploration expenditures on the RCU Properties in an amount of not less than $50,000 no later than December 31, 2014;

   (b) on or before December 31, 2014 pay to JESS the amount of $25,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties);

   (c) incur exploration expenditures on the RCU Properties in an amount of not less than an additional $100,000 (for a cumulative aggregate of $150,000) no later than December 31, 2015;

   (d) on or before December 31, 2015 pay to JESS the additional amount of $50,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties);

(e) incur exploration expenditures on the RCU Properties in an amount of not less than and additional $100,000 (for a cumulative aggregate of $250,000) no later than December 31, 2016; and

(f) on or before December 31, 2016 pay to JESS the additional amount of $50,000, to be paid, at Vinergy's election, either in cash or in shares of Vinergy (at a price per share equal to the market price of the shares at the time of issuance, or if not listed on a market, at the price at which Vinergy last issued shares to arm's length parties).

3. Notwithstanding that Vinergy shall be responsible for its proportionate share of the Royalty upon commencement of production from the RCU Properties, JESS shall continue to be responsible to pay the minimum annual amount of the Royalty for so long as it has a working interest in the RCU Properties.

4. Upon Vinergy earning its working interests in the RCU Properties, the RCU Properties shall be operated by the parties on a joint venture basis, on the following terms and conditions:

(a) All decisions regarding the operation of the RCU Properties, including decisions regarding all exploration and development programs, shall be made by a management committee (the "Management Committee") to be established by the parties.

(b) The Management Committee shall consist of one representative of each of the parties. Each of the representatives shall have a number of votes based upon their party's percentage working interest in the RCU Properties. By way of example only, upon the initial establishment of the Management Committee the representatives' votes shall be as follows:

(i) JESS: 50 votes,
(ii) Vinergy: 50 votes.

(c) All decisions of the Management Committee shall be on a simple majority basis.

(d) The Management Committee may appoint a manager (which may be a party hereto or its representative) to oversee the management of RCU Properties and the Management Committee may delegate all or a portion of its authority to such manager.

(e) With the exception of JESS's obligation to make the minimum annual Royalty payments, the parties shall contribute to all expenses related to the ownership and operation of the RCU Properties, including all work programs, in proportion to their working interests. If any party fails to pay their proportionate share of such expenses then the other parties may pay such share (in proportion to their respective working interests unless they agree otherwise) and in such case the defaulting party's interest shall be diluted (with a corresponding increase in the working interests of the other parties), based upon each party's cumulative expense contributions divided by the aggregate cumulative expense contributions of all parties (excluding in each case the minimum annual Royalty). For the purpose of such calculations, the cumulative expense contributions of each party at the time of the establishment of the joint venture shall be deemed to be as follows (regardless of what they actually are at such time):

(i) Vinergy: $50,000
(ii) JESS: $20,000

5. The parties may, but are not obligated to, enter into a formal Joint Venture Agreement or, from time to time, establish further and other joint venture terms by mutual agreement.

6. Vinergy acknowledges that its working interest in the RCU Property shall be subject to the Royalty and the area of mutual interest provision described in section 1. The parties' working interests in the RCU Properties shall include a corresponding interest in the option to purchase the Royalty granted to JESS by the Royalty holder.

7. The Parties acknowledge that Vinergy intends to assign all of its interests under this agreement to a wholly owned subsidiary incorporated pursuant to the laws of the Province of British Columbia to be called Jonpol Rare Earths Inc..

8. Until such time as the joint venture referred to in section 6 is formed Vinergy shall file reports of its assessment work as required, and thereafter such filings shall be the responsibility of the joint venture.

9. If the titles to the RCU Properties are not registered in Vinergy's name as its interest appear herein, the registered owner(s) of the RCU Properties shall hold the title to the RCU Properties in trust for the parties in accordance with their respective working interests.

10. Each party agrees to indemnify and hold harmless the other parties from all losses actually incurred by such other party in connection with a breach of any representation or warranty made by it and contained herein.

11. The rights, privileges, duties, obligations and liabilities, as between the parties shall be separate and not joint or collective and nothing herein contained shall be construed as creating a partnership, in association, agency or, subject as herein specifically provided, a trust of any kind or as imposing upon any of the parties any partnership obligation or liability. No party is liable for the acts, covenants and agreements of another party, except as herein specifically provided.

12. Each party shall at all times during the currency of this Agreement, act in good faith with respect to the other parties and shall do or cause to be done all things within their respective powers which may be necessary or desirable to give full force to the provisions hereof.

13. No party may assign its interest under this Agreement or in the RCU Properties without the consent of the other parties, which consent shall not be arbitrarily or unreasonably withheld.

14. This Agreement shall enure to the benefit of and be binding upon the parties and each of their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, but no other person.

15. The parties agree that all information obtained hereunder shall be exclusive properties of the parties hereto and shall not be publicly disclosed or used other than for the activities contemplated hereunder, except as required by applicable law or by the rules and regulations of any regulatory authority or Stock Exchange having jurisdiction. The parties acknowledge that one or more of them are reporting issuers under Canadian securities legislation and, as such, are subject to continuous disclosure obligations that will require them to disclose certain information regarding the RCU Properties, this Agreement and the joint venture arrangements.

16. This Agreement shall be subject to the receipt of all regulatory approvals that may be required.

17. The parties agree to execute such other documents and do all such other things that may be required to give full force and effect to this Agreement.

18. Any notice or other communications required or permitted to be given by any party hereto to any other party shall be in writing and shall be telefaxed, emailed, delivered personally or mailed by prepaid registered mail addressed to the party to which it is to be given as follows:

    (a) if to Vinergy:

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        846 Field Crescent
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        V9P 2N8
        Email: mww9999@gmail.com

    Every such communication mailed at any post office in Canada by prepaid registered post in an envelope addressed to the party to whom same is directed shall be deemed to have been given to and received by the addressee on the fifth (5th) business day following the mailing thereof except where there exists a labour strike or other disruption to postal service, the result of which is the interference of normal mail delivery, in which case every communication provided for in this Agreement or arising in connection therewith shall be in writing and shall be telefaxed or delivered to the Parties at the above addresses during normal business hours, when it shall be deemed to have been received on the day of actual receipt. Every party may change its mailing or delivery address by giving to the other Parties hereto written notice to that effect.

19. This Agreement represents the entire agreement of the parties respecting the subject matters hereof and supersedes and replaces all prior or contemporaneous agreements, understandings, and negotiations respecting the subject matters hereof.

20. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and the Federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed these presents as of the date and year first above written.

JESCORP CAPITAL INC.

Per: ______________________
Michael Wilson
Chief Executive Officer

VINERGY RESOURCES LTD.

Per: ______________________
Randy Clifford
President

18. Any notice or other communications required or permitted to be given by any party hereto to any other party shall be in writing and shall be telefaxed, emailed, delivered personally or mailed by prepaid registered mail addressed to the party to which it is to be given as follows:

(a) if to Vinergy:

6012 - 85 Avenue
Edmonton, AB
T6B 0J5
Email: drcliff@telusplanet.net

(c) if to JESS:

846 Field Crescent
Parksville, BC
V9P 2N8
Email: mww9999@gmail.com

Every such communication mailed at any post office in Canada by prepaid registered post in an envelope addressed to the party to whom same is directed shall be deemed to have been given to and received by the addressee on the fifth (5th) business day following the mailing thereof except where there exists a labour strike or other disruption to postal service, the result of which is the interference of normal mail delivery, in which case every communication provided for in this Agreement or arising in connection therewith shall be in writing and shall be telefaxed or delivered to the Parties at the above addresses during normal business hours, when it shall be deemed to have been received on the day of actual receipt. Every party may change its mailing or delivery address by giving to the other Parties hereto written notice to that effect.

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JESCORP CAPITAL INC.

Per: ______________________________
Michael Wilson
Chief Executive Officer

VINERGY RESOURCES LTD.

Per: ______________________________
Randy Clifford
President

SCHEDULE "A"

RCU Properties

Sudbury Division 70 – Claim S4261942 – Township: Creelman (G-2966) – Claim Units 8
Sudbury Division 70 – Claim S4261943 – Township: Creelman (G-2966) – Claim Units 10
Sudbury Division 70 – Claim S3014452 – Township: Roberts (G-2865) – Claim Units 16