



ECHELON PETROLEUM CORP.

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON WEDNESDAY, FEBRUARY 24, 2016

NOTICE

AND

INFORMATION CIRCULAR

January 29, 2016

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.

ECHELON PETROLEUM CORP.

Suite 1012 – 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3
Telephone: (604) 282-7897

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders of Echelon Petroleum Corp. (the “**Company**”) will be held at the office of Computershare, located 3rd Floor, 510 Burrard Street, Vancouver, British Columbia on Wednesday, February 24, 2016, at the hour of 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the financial year ended March 31, 2015, and accompanying report of the auditor;
2. to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, as the auditor of the Company for the ensuing year and to authorize the directors of the Company to fix the remuneration to be paid to the auditor;
3. to set the number of directors of the Company for the ensuing year at three (3);
4. to elect Eric Boehnke, John Legg and John Veltheer as the directors of the Company, to serve until the next annual general meeting of the shareholders;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to ratify, confirm and approve renewal of the Company’s 10% rolling stock option plan, as described in the Information Circular accompanying this Notice of Meeting;
6. to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution to be approved by a majority of the minority Shareholders of the Company, to authorize a private placement and a debt settlement involving related parties of the Company, as more particularly set out in the accompanying Information Circular;
7. to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution to authorize the creation of a new Control Person within the meaning of such term in applicable TSX Venture Exchange policies, as more particularly set out in the accompanying Information Circular; and
8. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The board of directors of the Company has fixed January 15, 2016 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company who wishes to vote but are unable to attend the Meeting in person, you must complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Accompanying this Notice are an Information Circular, and a Form of Proxy, as well as a Voluntary Mailing List Return Card.

DATED at Vancouver, British Columbia, this 29th day of January, 2016.

By Order of the Board of Directors of

ECHELON PETROLEUM CORP.

"Eric Boehnke"

Eric Boehnke
Chief Executive Officer and Director

PLEASE VOTE. YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, SIGN AND DATE THE ENCLOSED PROXY FORM AND PROMPTLY RETURN IT ACCORDING TO THE INSTRUCTIONS PROVIDED.

ECHELON PETROLEUM CORP.

Suite 1012 – 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3
Telephone: (604) 282-7897

INFORMATION CIRCULAR

January 29, 2016

INTRODUCTION

This Information Circular accompanies the Notice of Annual General and Special Meeting of Shareholders (the “**Notice**”) and is furnished to the shareholders (the “**Shareholders**”) holding common shares (each, a “**Share**”) in the capital of Echelon Petroleum Corp. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the Shareholders to be held at 11:00 a.m. on Wednesday, February 24, 2016 at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is January 29, 2016. Unless otherwise indicated, all dollar amounts referred to herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Information Circular and related proxy materials to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone 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 anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

If you are a registered Shareholder (a shareholder whose name appears on the records of the Company as the registered holder of Shares) (“**Registered Shareholder**”) of the Company, you are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on January 15, 2016 (the “**Record Date**”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The purpose of a proxy is to designate a person who will vote the proxy on a Shareholder’s behalf in accordance with the instructions given by the Shareholder in the proxy. The persons named as proxyholders in the enclosed form of proxy (the “**Designated Persons**”) are directors and/or officers of the Company.

A Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) to attend and act for or on behalf of that Shareholder at the Meeting, other than the Designated Persons named in the enclosed form of proxy.

To exercise this right, the Shareholder must strike out the printed names of the Designated Persons on the form of proxy and insert the name of such other person and, if desired, an alternate to such person, in the blank space provided in the form of proxy.

If you are a Registered Shareholders, you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the Proxy and returning it to the Company's registrar and transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail or hand delivery to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet at Computershare's website, www.investorvote.com. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy for the holder's account number and the proxy access number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the Meeting or the adjournment or postponement thereof at which the Proxy is to be used.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer of, or attorney-in-fact for, the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, should accompany the form of proxy.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time, before it is exercised, by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting by a registered Shareholder and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures within the requisite time period. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space on the proxy. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Shares represented will be voted or withheld from the vote on that matter accordingly. The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that

may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.

If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Shares represented by the proxy in favour of each matter identified in the proxy, including the vote for the election of the nominees to the Company's Board of Directors (the "Board") and for the appointment of the auditors.

The enclosed form of proxy confers discretionary authority upon the persons named in the proxy with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy holders.

In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for the determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Non-Registered Holders") should note that only Shareholders whose names appear on the records of the Company as the registered holders of Shares, or their duly appointed proxies, will be permitted to vote at the Meeting. Most Shareholders are Non-Registered Holders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a Non-Registered Holder's Shares are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators or self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements set out in National Instrument 54-101 of the Canadian Securities Administrators ("**NI 54-101**"), the Company has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent as provided above; or
- (b) more typically, be given a voting instruction form ("**VIF**") which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the proxy authorization will consist of a regular printed proxy form accompanied

by a page of instructions, which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit a Non-Registered Holder to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Designated Persons named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered. **Non-Registered Holders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

There are two kinds of beneficial owners – 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). Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from Intermediaries for distribution of proxy-related materials directly to NOBOs.

These securityholder Meeting materials are being sent to both registered Shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

The Company is not using the “notice-and-access” provisions of NI 54-101 in connection with the delivery of the Meeting materials in respect of the Meeting. The Company does not intend to pay for intermediaries to deliver the Meeting materials to OBOs. Management of the Company does not intend to pay for intermediaries to forward to OBOs the proxy-related materials and Request for Voting Instructions, and, OBOs will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares without par value and an unlimited number of preferred shares without par value. As of the Record Date, determined by the Board to be the close of business on January 15, 2016, a total of 535,885 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date of January 15, 2016 are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the Company's directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying 10% or more of the voting rights attached to the outstanding Shares of the Company.

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

Except as otherwise disclosed herein, no director or executive officer of the Company, who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of Shares or other securities of the Company or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Shares or who exercises control or direction of Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Shares outstanding (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Shares where such person will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited financial statements of the Company for the year ended March 31, 2015, together with the auditor’s report on those statements and Management Discussion and Analysis, will be presented to the Shareholders at the Meeting.

The financial statements have been mailed to the Shareholders who have requested copies of them, and are also available on the Company’s issuer profile at www.sedar.com.

2. Number of Directors

The Articles of the Company provide for a board of directors comprised of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the Shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at three (3). The number of directors will be approved if the affirmative vote of at least a majority of Shares present or represented by proxy at the Meeting and entitled to vote thereat are voted in favour of setting the number of directors at three (3).

Management recommends the approval of an ordinary resolution to set the number of directors of the Company at three (3).

3. Election of Directors

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company’s Articles or with the provisions of applicable corporate legislation, or until such director’s earlier death, resignation or removal.

The Company’s current board of directors consists of Eric Boehnke, John Legg and John Veltheer. Management of the Company proposes to nominate all of the current directors, as further described in Table 1 below, for election by the Shareholders as directors of the Company.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Shares represented by proxies for the election of any other persons as directors.

Information concerning the director nominees, as furnished by the individual directors, is as follows:

TABLE 1

Name Province/State Country of Residence and Position with the Company ⁽¹⁾	Principal Occupation Business or Employment for Last Five Years ⁽¹⁾	Served as a Director Since	Number of Shares Owned ⁽¹⁾
Eric Boehnke ⁽²⁾ British Columbia, Canada <i>Chief Executive Officer and Director</i>	President, Big Sky Management Ltd., a private company providing corporate finance and administrative management services; Executive Vice-Chairman of Terrace Energy Corp. (TSXV:TZR), an oil and gas exploration company, since October 2013; CEO of Terrace Energy Corp. from June 2011 to October 2013.	May 26, 2014	28,436
John Legg ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Self-employed Lawyer and management consultant since 1996; President of Till Capital Ltd. (formerly Golden Predator Corp.) (TSXV:TIL) from October 2009 to October 2012.	May 26, 2014	Nil
John Veltheer ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	CEO and Director of Lateral Gold Corp. (TSXV: LTG) since July 2015; CFO and Director of European Ferro Metals Ltd. (CSE:EFM) from June 2014 until July 2015; Strategic Advisor to Network Exploration Ltd. (TSXV:NET) since December 2008.	December 18, 2009	Nil

⁽¹⁾ Information has been furnished by the respective nominees individually.

⁽²⁾ Denotes a member of the Audit Committee of the Company.

⁽³⁾ Denotes an independent director.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year. Proxies received in favour of management will be voted FOR the election of the above-named nominees, unless the Shareholder has specified in the proxy that his or her Shares are to be withheld from voting in respect thereof.

Corporate Cease Trade Orders and Bankruptcies

Except as disclosed below, to the knowledge of the Company, no proposed director of the Company, or personal holding company of such a director is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an "Order"), for a period of more than 30 consecutive days; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

The Company was the subject of a cease trade order issued by the British Columbia Securities Commission ("BCSC") on August 6, 2015. The cease trade order was issued as a result of the Company's failure to file its annual financial statements and Management's Discussion and Analysis within the prescribed deadline. Upon the Company's filing of the outstanding documents, such orders will be revoked. All of the current directors were directors of the Company at the time the cease trade order was issued.

John Veltheer, a director of the Company was a director of European Ferro Metals Ltd. ("EFM") until July, 2015. On September 11, 2015, EFM received a cease trade order issued by the BCSC for failure to file audited financial statements and Management's Discussion and Analysis within the prescribed deadline. The financial statements were filed and the cease trade order was subsequently revoked by the BCSC on December 1, 2015.

To the knowledge of the Company, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity:

- (a) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Penalties, Sanctions or Bankruptcies

To the knowledge of the Company, no proposed director of the Company or personal holding company of such director has:

- (a) within the ten (10) years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (b) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Additional Information Regarding the Board

For additional information regarding the Company's Board, including compensation and corporate governance practices, see "Statement of Executive Compensation" and "Corporate Governance".

4. Appointment of Auditor

At the Meeting, Shareholders will be asked to vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, to serve as auditor of the Company for the ensuing year, at a remuneration to be fixed by the Board. Dale Matheson Carr-Hilton Labonte LLP was first appointed as auditor of the Company January 26, 2010.

Management recommends the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, to serve as auditor of the Company until the close of business at the next annual general meeting, and the authorization for the directors of the Company to fix the auditor's remuneration.

5. Renewal of Stock Option Plan

The Company has a stock option plan that was initially approved by shareholders at an annual shareholder meeting held on September 17, 2011 (the "Option Plan"). The Option Plan is a "rolling" stock option plan, whereby the maximum number of Shares that may be reserved for issuance at any one time pursuant to the exercise of options is the equivalent of 10% of the issued Shares of the Company. The TSX Venture Exchange ("TSXV") requires listed companies that have "rolling" stock option plans in place to receive Shareholder approval for such plans on an annual basis at the company's annual shareholders' meeting. Accordingly, at the Meeting, Shareholders will be asked to ratify, confirm and approve renewal of the Option Plan.

The purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs. The Company has no equity incentive plans other than the Option Plan at this time. The size of stock option grants to is dependent on each option holder's level

of responsibility, authority and importance to the Company and the degree to which such person's long-term contribution to the Company will be significant to its long-term success.

The Option Plan complies with the current policies of TSXV for Tier 2 issuers. The following information is intended as a brief description of the Option Plan and is qualified in its entirety by the full text of the Option Plan, a copy of which is available to Shareholders upon request to the Company and will be available for viewing at the Meeting.

- (1) The maximum number of shares that may be issued upon the exercise of stock options granted under the Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant.
- (2) The exercise price of any stock options granted under the Option Plan, as determined by the Board in its sole discretion, shall be not less than the closing price of the Company's common shares traded through the facilities of the TSX Venture Exchange on the date prior to the date of grant, less allowable discounts, in accordance with the policies of the TSX Venture Exchange or, if the shares are no longer listed for trading on the TSX Venture Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
- (3) The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the number of issued and outstanding shares of the Company unless the Company has obtained the requisite disinterested shareholder approval to the grant.
- (4) The Board shall not grant options in any 12 month period to any one consultant, or to those persons employed by the Company who perform investor relations services, which will, when exercised, exceed or 2% of the number of issued and outstanding shares of the Company.
- (5) If any stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of which such stock option expired or terminated shall again be available for grant under the Option Plan.
- (6) All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the board of directors grant and announce the granting of the option.
- (7) If an option holder ceases to be a director, employee or consultant of the Company other than by reason of death, then the exercisable options held by such option holders shall expire on the 90th day following the date the option holder ceases to provide services to the Company, except that, in the case of an option holder who is engaged in investor relations activities on behalf of the Company, this 90 day period will be shortened to 30 days.
- (8) The expiry date of options granted under the Option Plan may not to exceed the maximum period permitted by any stock exchange on which the Shares are then listed or other regulatory body having jurisdiction, which maximum expiry period is presently 10 years from the date the option is granted.
- (9) If an option holder dies, the option holder's lawful personal representatives, heirs or executors may exercise any option granted to the option holder that had vested and was exercisable on the date of death until the earlier of the expiry date and one year after the date of death of the option holder.
- (10) Options granted under the Option Plan shall not be assignable or transferable by an option holder.
- (11) The Board may from time to time, subject to regulatory or Shareholder approval if required, amend or revise the terms of the Option Plan.

Under TSX Venture Exchange policy, all such rolling stock option plans must be approved and ratified by Shareholders on an annual basis and approved by the TSXV. Therefore, at the Meeting, Shareholders will be asked to approve the following ordinary resolution which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Option Plan Resolution:

“BE IT RESOLVED THAT:

- (a) renewal of the Company's Stock Option Plan (the “**Option Plan**”) as set forth in the Company's Information Circular dated August 15, 2011, including the reservation for issuance under the Option Plan at any time of a

maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Option Plan by the TSX Venture Exchange (the “TSXV”);

- (b) the board of directors of the Company is authorized in its absolute discretion to administer the Option Plan and amend or modify the Option Plan in accordance with its terms and conditions and within the policies of the TSXV; and
- (c) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Option Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Option Plan.”

It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Stock Option Plan Resolution.

Management of the Company recommends that Shareholders vote in favour of the Stock Option Plan Resolution.

6. Approval of Private Placement and Debt Settlement

The Company is proposing to issue up to 10,000,000 Shares of the Company at a price of \$0.06 per Share (the “**Private Placement**”), and to settle outstanding debts (the “**Debt Settlement**”) of up to \$60,000 through the issuance of up to 1,000,000 Shares at a deemed price of \$0.06 per Share. Proceeds from the Private Placement are expected to be used for general working capital purposes.

Under applicable policies of the TSXV and Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions and unless otherwise exempted, where related parties of the Company are participating in the Private Placement, the Private Placement must be approved by the shareholders of the Company (excluding any “interested parties”, being related parties of the Company who are also party to the Private Placement). It is anticipated that at least one director of the Company will subscribe to the Private Placement and participate in the Debt Settlement as further described below. Additional directors may also participate in the Private Placement, in amounts to be determined, but such directors are not anticipated to become control persons.

Accordingly, shareholders will be asked to pass the following resolution to ratify, confirm and approve the Private Placement and the Debt Settlement. Any related parties of the Company subscribing for Shares in the Private Placement or participating in the Debt Settlement will be ineligible for voting on this resolution. Proxies received in favour of management will be voted FOR the approval of the resolution below, unless a shareholder has specified in the proxy that the shares are to be voted against the resolution.

“BE IT RESOLVED THAT:

1. The private placement by the Company of up to 10,000,000 common shares of the Company, and the settlement of outstanding debts of the Company through the issuance of up to 1,000,000 common shares of the Company, including the issuance of up to 7,000,000 common shares to related parties of the Company, is hereby ratified, confirmed and approved;
2. any one director or officer of the Company be authorized and instructed to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents, and instruments as in his/her opinion may be necessary or desirable for the implementation of this resolution.”

The directors of the Company have unanimously concluded that the Private Placement and the Debt Settlement is in the best interest of the Company. The Board recommends that all disinterested shareholders of the Corporation vote FOR the foregoing resolution.

7. Approval of New Control Person

The Company is proposing to issue up to 7,000,000 Shares in the Private Placement and the Debt Settlement to Eric Boehnke, a director and officer of the Company.

Under applicable policies of the TSXV, where a transaction creates a new "Control Person", the approval of the listed company's shareholders (other than such new Control Person) is required to issue listed shares, or securities that are convertible or exercisable for listed shares, to any person or company that would become a new Control Person. A Control Person, for the purposes of the TSXV policies, includes any shareholder who holds more than 20% of the issued and outstanding voting securities (or securities convertible in voting securities, or a combination thereof) of the listed company, in the absence of evidence to the contrary.

Eric Boehnke, a director and officer of the Company, proposes to purchase a significant portion of the Private Placement and the Debt Settlement, which would result in his becoming a Control Person. Mr. Boehnke currently owns 28,436 Shares of the Company, representing 0.05% of the Company's issued and outstanding Shares. Upon completion of the Private Placement and the Debt Settlement for the full 11,000,000 Shares, and assuming Mr. Boehnke acquires 7,000,000 of the Shares issued, he will control approximately 61% of the Company's then issued Shares assuming no other Shares are otherwise issued by the Company. Mr. Boehnke would therefore be deemed a Control Person.

Accordingly, shareholders will be asked to pass the following resolution to ratify, confirm and approve the creation of Eric Boehnke as a new Control Person of the Company. As disinterested shareholder approval is required, Eric Boehnke will be ineligible for voting on this resolution. Proxies received in favour of management will be voted FOR the approval of the resolution below, unless a shareholder has specified in the proxy that the shares are to be voted against the resolution.

"BE IT RESOLVED THAT:

3. The creation of Eric Boehnke as a new "Control Person" of the Company within the meaning of such term under applicable TSX Venture Exchange policies is hereby ratified, confirmed and approved;
4. any one director or officer of the Company be authorized and instructed to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents, and instruments as in his/her opinion may be necessary or desirable for the implementation of this resolution."

The directors of the Company have unanimously concluded that the creation of Eric Boehnke as a Control Person, is in the best interest of the Company. The Board recommends that all disinterested shareholders of the Corporation vote FOR the foregoing resolution.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

"CEO" means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"CFO" means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"Named Executive Officer" or "NEO" means:

- (a) a CEO;

- (b) a CFO;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

Compensation Discussion and Analysis

Due to the Company's size and financial condition, the Company currently has no formal compensation arrangements. It is contemplated that the overall objective of the Company's compensation strategy, upon securing sufficient financing to merit entering into such arrangements, will be to offer short, medium and long-term compensation components to attract, retain and develop management of the highest calibre and also put in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the position of the executive.

It is contemplated that the objectives of the Company's compensation policies and procedures will be to align the interests of the Company's employees with the interests of the Shareholders. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, may be based upon overall corporate performance. The Company intends to rely on Board discussion without a formal agenda for objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

At present the Board does not have a compensation committee. As such, all tasks related to developing and monitoring the Company's approach with respect to the compensation of officers of the Company and to the nomination of directors to the Board were performed by the Board as a whole in 2014 and 2015. The compensation of the NEOs and the Company's employees is reviewed, recommended and approved by the Board as a whole.

Due to the relatively small size of the Company and its current management group, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company is reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive Compensation Program

It is anticipated that the Company's executive compensation program will be comprised of two primary elements: a base fee or salary or consulting fee for certain persons, which constitutes short-term compensation, and long-term incentive compensation comprised of the grant of options. The Board plans to review both components in assessing the compensation of individual executive officers.

Base fees or salaries are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive within the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers.

Stock options will be an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Shares over a stated period of time, and are intended to reinforce commitment to long-term growth and Shareholder value. Stock option grants reward overall corporate performance, as measured through the price of the Shares and enable executives to acquire and maintain a significant ownership position in the Company.

The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company’s directors or officers. Given the Company’s current stage of development, the Company has determined there are low implications of risks associated with the Company’s compensation practices. The Company has also not adopted any policies with respect to whether NEOs and directors are permitted to purchase financial instruments, including, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Share-Based and Option-Based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company’s Option Plan. Individual stock options are granted by the Board as a whole, with directors abstaining from voting on specific option grants to themselves, and the amounts of the option grants are dependent on, among other things, each officer’s level of responsibility, authority and importance to the Company and the degree to which such officer’s long term contribution to the Company will be crucial to its long-term success.

Stock options are normally granted by the Board when an executive officer first joins the Company based on his level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer’s level of ongoing responsibility within the Company. The Board also evaluates the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Shares on the TSX Venture Exchange (the “TSXV”) on the business day immediately preceding the date of grant, and the current policy of the Board is that options expire five years from the date of grant. See “Particulars of Matters to Be Acted Upon – Renewal of Stock Option Plan”.

On May 26, 2014, a total of 104,160 stock options, being all stock options outstanding under the Option Plan, were cancelled as a result of resignations or voluntary forfeiture. There are currently no stock options outstanding.

Summary Compensation Table

Particulars of compensation earned by each NEO (including deferred compensation) in the three most recently completed financial years are set out in the summary compensation table (Table 2) below:

TABLE 2

Name and Principal Position	Year	Fees & Salary (\$)	Share-based Awards ⁽²⁾ (\$)	Option-based Awards ⁽³⁾ (\$)	Non-equity Incentive Plan Compensation ⁽¹⁾ (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Eric Boehnke <i>CEO & Director</i> ⁽⁸⁾	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	N/A	N/A	N/A	Nil	Nil	Nil	Nil	N/A
	2013	N/A	N/A	N/A	Nil	Nil	Nil	Nil	N/A
Alexander Helm <i>Former CEO & Director</i> ⁽⁴⁾⁽⁵⁾	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	59,667	Nil	Nil	Nil	Nil	Nil	Nil	59,667
	2013	60,000	Nil	Nil	Nil	Nil	Nil	Nil	60,000
Jennie Choboter <i>CFO</i> ⁽⁹⁾	2015	\$6,000	Nil	Nil	Nil	Nil	Nil	Nil	\$6,000
	2014	N/A	N/A	N/A	Nil	Nil	Nil	Nil	N/A
	2013	N/A	N/A	N/A	Nil	Nil	Nil	Nil	N/A
Roger Flowerdew <i>Former CFO and Director</i> ⁽⁶⁾	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	89,500	Nil	Nil	Nil	Nil	Nil	Nil	89,500
	2013	70,000	Nil	Nil	Nil	Nil	Nil	Nil	70,000

⁽¹⁾ “Non-equity Incentive Plan Compensation” includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.

- (2) “Share-based Awards” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (3) “Option-based Awards” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features.
- (4) Mr. Helmelt was appointed as director of the Company on December 18, 2009 and CEO and President on December 21, 2009. Mr. Helmelt resigned as CEO and President on May 3, 2011, was reappointed Chief Executive Officer and President on June 24, 2011 and resigned as a director and officer on May 26, 2014.
- (5) Mr. Helmelt provided his services to the Company through his wholly-owned consulting company, 9082 Investments Inc.
- (6) Mr. Flowerdew was appointed CFO, Secretary and a director of the Company on December 18, 2009 and resigned on May 26, 2014.
- (7) The Company used the Black-Scholes option pricing model for determining fair value of stock options issued at grant date. The Black-Scholes option valuation was determined using the expected life of the stock option, expected volatility of the Share price, expected dividend yield, and risk-free interest rate. The key assumptions are as follows: risk free interest rate of 2.55%, expected life of 5 years, expected stock price volatility of 100%; expected dividend yield of 0%. On May 26, 2014, these stock options were cancelled as a result of resignations.
- (8) Mr. Boehnke was appointed CEO on May 26, 2014.
- (9) Ms. Choboter was appointed CFO on May 26, 2014.

On May 3, 2011, the Company entered into an agreement with Alexander Helmelt, pursuant to which Mr. Helmelt provided services as the President and CEO of the Company in consideration for the payment of \$5,000 per month to his wholly-owned consulting company, 9082 Investments Inc. The agreement was terminated on May 26, 2014, when the Company entered into a cancellation and release agreement with Mr. Helmelt, which cancelled debts owed to him and his company, totalling \$41,250, of which \$32,812 was due at March 31, 2014.

On May 3, 2011, the Company entered into an agreement with Roger Flowerdew, pursuant to which Mr. Flowerdew provided services as the CFO of the Company in consideration for the payment of \$5,000 per month. In December, 2012, Mr. Flowerdew’s compensation was increased to \$7,500 per month. The agreement was terminated on May 26, 2014, when the Company entered into a cancellation and release agreement with Mr. Flowerdew, which cancelled debts owed to him totalling \$61,875, of which \$49,219 was due at March 31, 2014.

Incentive Plan Awards

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan.

The Company’s Option Plan is considered an incentive plan. All stock options granted to NEOs and directors are pursuant to the terms of the Company’s Option Plan and the policies of the TSX Venture Exchange.

For a summary of the material provisions of the Option Plan pursuant to which all option-based awards may be granted to NEOs, please see the description under the heading, “Renewal of Stock Option Plan”.

During the financial year ended March 31, 2015, the Company did not grant to NEOs any option-based awards or share-based awards.

On May 26, 2014, a total of 104,160 stock options, being all stock options outstanding, were cancelled as a result of resignations or voluntary forfeiture. There are currently no stock options issued and outstanding.

PENSION PLAN BENEFITS

The Company does not have any pension plans that provide for payments or benefits to the Named Executive Officers at, following, or in connection with retirement, including any defined benefits plan or any defined contribution plan. The Company does not have a deferred compensation plan with respect to any NEO.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company does not currently have any contract, agreement, plan or arrangement that provides for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement of such NEO, or a change of control of the Company or a change in the NEO's responsibilities.

DIRECTOR COMPENSATION

The following table sets forth the details of compensation provided to the directors of the Company, other than the Named Executive Officers, during the Company's most recently completed financial year ended March 31, 2015:

TABLE 3

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Veltheer ⁽¹⁾	Nil	N/A	Nil	N/A	N/A	Nil	Nil
John Legg ⁽²⁾	Nil	N/A	N/A	N/A	N/A	Nil	Nil

⁽¹⁾ Mr. Veltheer has been a director of the Company since December 18, 2009.

⁽²⁾ Mr. Legg was appointed a director of the Company on May 26, 2014.

During the most recently completed financial year, no non-NEO director of the Company received compensation pursuant to:

- (a) any standard arrangement for the compensation for service in their capacity as a director, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation in their capacity as a director; or
- (c) any arrangement for services as a consultant or expert.

In May 2012, the Company entered into an agreement with Dr. John Veltheer pursuant to which the Company agreed to pay Dr. Veltheer compensation of \$6,000 per month for his services as a director of the Company. In January 2013, Dr. Veltheer's compensation was increased to \$7,500 per month. On May 26, 2014, the Company entered into a cancellation and release agreement with Mr. Veltheer, which cancelled fees owed to him, totalling \$61,875, of which \$49,219 was due at March 31, 2014.

On May 26, 2014, Eric Boehnke was appointed CEO and Director of the Company. On May 26, 2014, the Company entered into a cancellation and release agreement with Big Sky Management Ltd., a company wholly-owned by Eric Boehnke, which cancelled consulting fees totalling \$63,750 owed to that company, of which \$51,188 was due at March 31, 2014.

Incentive Plan Awards For Directors

Outstanding Share-Based Awards and Option-Based Awards for Directors

No option-based awards were outstanding by the Company's directors as at the most recently completed financial year ended March 31, 2015. The Company has not granted any Share-based awards.

No incentive plan awards were granted, vested or earned by the directors during the year ended March 31, 2015.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's only equity compensation plan, being the Company's Option Plan, as of March 31, 2015:

TABLE 4

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (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 security holders	Nil	N/A	53,588
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	Nil	N/A	53,588

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

At the Meeting, Shareholders will be asked to ratify, confirm and approve the Option Plan. See “Particulars Of Matters To Be Acted Upon –Renewal of Stock Option Plan” for more information on the terms of the Option Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the Company’s most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors’ or executive officers’ 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.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

The Audit Committee’s role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have the ability to consider and discuss governance and audit issues with parties not directly responsible for operations. Applicable securities laws require the Company to disclose certain information relating to the Company’s audit committee and its relationship with the Company’s independent auditors.

Audit Committee Charter

The Company’s audit committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this Information Circular.

Composition of Audit Committee

The members of the Company’s Audit Committee are:

Eric Boehnke	Not Independent ⁽¹⁾	Financially literate ⁽²⁾
John Legg	Independent ⁽¹⁾	Financially literate ⁽²⁾
John Veltheer	Independent ⁽¹⁾	Financially literate ⁽²⁾

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Mr. Boehnke is not independent, as he is the CEO of the Company. The Audit Committee is comprised of a majority of independent directors.
- (2) An individual is financially literate if he has the ability to read and understand financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Company is exempt from the Audit Committee composition requirements of National Instrument NI 52-110 ("NI 52-110") which require all Audit Committee members to be independent. As required by the TSXV, the Audit Committee is comprised of a majority of members who are not officers, employees or Control Persons of the Company.

Relevant Education and Experience

The education background or experience of the following audit committee members has enabled each to perform his responsibilities as an audit committee member and has provided the member with an understanding of the accounting principles used by the Company to prepare its consolidated financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's consolidated financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting:

Eric Boehnke is the Executive Vice-Chairman, director and former CEO of Terrace Energy Corp., a TSXV listed oil and gas exploration and production company with projects in the United States. He has served as director and on the audit committees of a number of TSX and TSXV listed companies. Mr. Boehnke is also the President and a director of Big Sky Management Ltd., a private company principally involved with providing corporate finance services to private and public companies.

John Legg has over 20 years' experience with public resource companies. Mr. Legg began his career as a securities lawyer in private practice, advising companies in natural resources, securities and corporate finance law. From 2007 to 2009, Mr. Legg served as Executive Vice-President of Zacoro Metals Corp., a private mining company operating in Mexico, and from 2009 to 2012 he serviced as President of Golden Predator Corp., a TSX listed gold exploration and development company with assets in the United States, Canada and Mexico. Mr. Legg has also served as a director and audit committee member of a number of TSX and TSXV listed companies, including Silver Predator Corp., Wolfpack Gold Corp. (formerly Tigris Uranium Corp.) and Redtail Metals Corp. Mr. Legg holds a BA from the University of British Columbia and a JD from Dalhousie Law School.

John Veltheer is CEO and a director of Lateral Gold Corp., a TSXV listed mineral exploration company. Dr. Veltheer sits on the audit committees of Mezzi Holdings Inc. and Lateral Gold Corp. and has served on the board of directors and audit committees of a number of Canadian public and private companies for more than 18 years. He obtained a Bachelor of Science in Chemistry (Honours) from Queens University in 1988 and a Ph.D. (Chemistry) from the University of British Columbia in 1993.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to

the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company.

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the last two fiscal years ended March 31, 2015 and March 31, 2014, by category, are as follows:

TABLE 5

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
March 31, 2015	\$8,000	\$Nil	\$1,500	\$Nil
March 31, 2014	\$7,140	\$Nil	\$1,500	\$5,470

Exemption

The Company is relying on the exemption provided by Section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

MANAGEMENT CONTRACTS

No management functions of the Company or its subsidiaries are to any substantial degree performed by a person or company other than the directors or executive officers of the Company and its subsidiaries.

CORPORATE GOVERNANCE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), as adopted by the Canadian Securities Administrators, prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings or unanimous consent resolutions of the Board. The Board is comprised of three (3) directors, consisting of Eric Boehnke, John Legg and John Veltheer. The Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company. The majority of the Board members are independent. Eric Boehnke is not independent as he is the Chief Executive Officer of the Company.

The Company has not developed written position descriptions for the chair and the chair of each board committee. The board and CEO have not developed a written position description for the CEO. The directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to

management. The independent directors are able to meet at any time without any members of management including the non-independent directors being present. The Board expects management to operate the business of the Company in with a high level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Other Directorships

The following directors are presently directors of other reporting issuers as set out below:

TABLE 6

Name of Director	Names of Other Reporting Issuers
Eric Boehnke	Terrace Energy Corp. (TSXV: TZR)
John Veltheer	Atlas Cloud Enterprises Inc. (CSE: AKE) Mezzi Holdings Inc. (TSXV: MZI) Lateral Gold Corp. (TSXV: LTG)

Orientation and Continuing Education

New directors to the Board are provided with access to recent publicly filed documents of the Company, all reports and the Company's internal financial information, access to management, experts and consultants, and 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 has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of Shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Position Descriptions

Compensation

The Board as a whole is responsible for determining compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company. Individual directors abstain from voting in respect of compensation proposed to be paid to themselves.

Other Board Committees

Other than the Audit Committee, the Board has no other committees.

Assessments

Any committee of the Board and individual directors will be assessed on an ongoing basis by the Board. The Board has not, as of yet, adopted formal procedures for assessing the effectiveness of the Board, its committees or individual directors.

ADDITIONAL INFORMATION

Additional information about the Company can be obtained free of charge through the SEDAR website at www.sedar.com. Shareholders may also contact Eric Boehnke, CEO of the Company, at Suite 1012 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Telephone: (604) 282-7897, Facsimile: (604) 629-0418, Email: eric@bigskymanagement.net to request copies of the Company's financial statements and the related Management's Discussion and Analysis (the "**MD&A**"). Financial information is provided in the Company's comparative financial statements and MD&A for its financial year ended March 31, 2015 and comparisons thereto.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board.

Dated at Vancouver, British Columbia, this 29th day of January, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

ECHELON PETROLEUM CORP.

"Eric Boehnke"

Eric Boehnke
Chief Executive Officer and Director

Schedule “A”

Audit Committee Charter

1. MANDATE

The audit committee will assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities. The committee will review and consider, in consultation with the Corporation’s external auditors, the financial reporting process, the system of internal control over financial reporting, and the audit process. In performing its duties, the audit committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well as the Corporation’s business, operations and risks.

2. COMPOSITION

The Board will appoint, from among their membership, an audit committee after each annual meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

2.1 *Independence*

A majority of the members of the audit committee must be “independent” (as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees)) (“**NI 52-110**”).

2.2 *Expertise of Committee Members*

A majority of the members of the audit committee must be “financially literate” (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise.

3. MEETINGS

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation’s Chief Financial Officer and external auditors in separate executive sessions.

4. ROLES AND RESPONSIBILITIES

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 *External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;

- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards; and
- (f) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public;
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public; and

Release of Financial Information

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public. An audit committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory

filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (a) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (a) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 *Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 *Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. GUIDANCE – ROLES & RESPONSIBILITIES

The audit committee should consider undertaking the actions described in the following guidance, which is intended to provide the audit committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Corporation's financial and operating controls are functioning effectively;
 - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.



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