

**AILERON VENTURES LIMITED**  
Suite 400, 2424 4th Street SW  
Calgary, Alberta, T2S 2T4

**MANAGEMENT INFORMATION CIRCULAR**

(containing information as at October 7, 2016 unless otherwise stated)

**For the Annual General and Special Meeting to be held on Thursday, November 10, 2016**

**SOLICITATION OF PROXIES**

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of Aileron Ventures Limited (the “**Company**”), for use at the annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of the Company to be held on Thursday, November 10, 2016, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

The enclosed form of proxy (the “**Proxy**”) is solicited by Management. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

**APPOINTMENT OF PROXYHOLDERS**

The persons named in the Proxy are representatives of the Company.

A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another suitable form of proxy.

**VOTING BY PROXYHOLDER**

**Manner of Voting**

The common shares represented by the 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 on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to Management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the Proxyholder.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the common shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

**Revocation of Proxy**

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder

or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand with the Company's registrar and transfer agent, Computershare Trust Company of Canada ("**Computershare**") by hand or mail at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **Voting Thresholds Required for Approval**

In order to approve a motion proposed at the Meeting, a majority of not less than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution (a "**Special Resolution**"), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Company as the registered holders of common shares in the capital of the Company (the "**Registered Shareholders**") may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Computershare, by hand or mail at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-952, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (the "**Beneficial Shareholders**") should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder's intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. 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 holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares

registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities that they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners).

### **Non-Objecting Beneficial Owners**

Pursuant to National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer (“**NI 54-101**”), issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (“**VIF**”) from the Company’s transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

### **Objecting Beneficial Owners**

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders’ meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

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

Except as otherwise disclosed herein, none of the directors (“**Directors**”) or officers (“**Officers**”) of the Company, at any time since the beginning of the Company’s last financial year, nor any proposed nominee for election as a Director, or 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 matters to be acted upon at the Meeting exclusive of the

election of directors.

## **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business on October 7, 2016 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting, or any adjournment thereof.

The Company's authorized capital consists of an unlimited number of common shares (the “**Common Shares**”) without par value. As at the Record Date, the Company has 9,664,155 Common Shares issued and outstanding, each share carrying the right to one vote.

To the knowledge of the directors and senior officers of the Company, as of the date of this Circular, no person owns, directs, or controls, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

## **EXECUTIVE COMPENSATION**

### ***STATEMENT OF EXECUTIVE COMPENSATION***

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation.

### **Director and Officer Compensation, Excluding Options and Compensation Securities**

During the two most recently completed financial years, there was no compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to any officer or director of the Company.

### **Stock Options and Other Compensation Securities and Instruments**

No officer or director of the Company received or exercised any incentive stock options or compensation securities in the most recently completed financial year.

### **Stock Option Plans and Other Incentive Plans**

The Company has adopted a stock option plan (the “**Option Plan**”) pursuant to which the Board may grant options (the “**Options**”) to purchase Common Shares of the Company to directors, officers and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate directors, officers, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company's growth. Under the Option Plan, the maximum number of Common Shares reserved for issuance, including Options currently outstanding, is equal to fifteen (15%) percent of the Shares outstanding from time to time (the “**15% Maximum**”). The 15% Maximum is an “evergreen” provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Common Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Common Shares which may be the subject of Options on a yearly basis to any one person cannot exceed five (5%) percent of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the Company on the date of the grant. The directors of the Company may, by resolution, determine the time period during which any option may be exercised (the “**Exercise Period**”), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Common Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee's employment, office or position as director, if terminated for just cause; (c) thirty (30) days (or such other period of time as permitted by any rule or regulation of

such exchange on which the Common Shares may be listed) following the date of termination of an optionee's position as a director, officer or consultant, if terminated for any reason other than the optionee's disability or death; and (d) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a director, officer, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

There are presently 500,000 Options outstanding under the Option Plan, none of which are held by officers or directors of the Company.

### **Employment, Consulting and Management Agreements**

Management functions of the Company are not, to any substantial degree, performed other than by directors or officers of the Company. There are no agreements or arrangements that provide for compensation to officers or directors of the Company, or that provide for payments to a officer or director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, severance, a change of control in the Company or a change in the officer or director's responsibilities.

### **Oversight and Description of Director and NEO Compensation**

#### ***Compensation of Directors***

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long term incentive plans, share compensation plans or any other such benefit programs for directors.

During the most recently completed financial year, the Company did not grant any option-based awards to any directors of the Company, or otherwise pay or grant any cash compensation, share-based awards, non-equity incentive plan or awards or any other compensation to the directors.

#### ***Compensation of Officers***

Compensation of officers is reviewed annually and determined by the Board. The level of compensation for officers is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for officers to date. With recent appointments, and as the nature of the Company's business continues to evolve, the Board will continue to evaluate the need for such a program.

As discussed above, the Company provides an Option Plan to motivate officers by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to officers. Other than the Option Plan, the Company does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for officers.

During the most recently completed financial year, the Company did not grant any option-based awards to any officer of the Company, or otherwise pay or grant any cash compensation, share-based awards, non-equity

incentive plan or awards or any other compensation to any officer.

### **Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

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

As at the most recently completed financial year, the Company had no compensation plans under which equity securities were authorized for issuance.

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

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or "routine indebtedness", as that term is defined in Form 51-102F5 of National Instrument 51-102 – Continuous Disclosure Obligations, none of

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a Director or Officer;
- (b) the proposed nominees for election as Directors; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company (a "**Subsidiary**"), or is a person 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 Subsidiary.

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

For purposes of the following discussion, "**Informed Person**" means:

- (a) a Director or Officer;
- (b) a director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2015, none of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially

affect the Company or any subsidiary of the Company.

### **APPOINTMENT OF AUDITOR**

Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants is the Company's auditor and was first appointed as the Company's auditor on September 30, 2016. Management is recommending the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants as Auditors for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board of Directors. A notice of change of auditor, and confirmation letters from each of the former and successor auditors of the Company are enclosed with this Circular as Schedule "A", pursuant to the requirements of National Instrument 51-102.

### **MANAGEMENT CONTRACTS**

The management functions of the Company are not, to any substantial degree, performed by persons other than the Directors and Officers.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

#### **Presentation of Financial Statements**

The audited financial statements of the Company for the financial year ended December 31, 2015 (the "**Financial Statements**") and the auditor's report thereon (the "**Auditor's Report**"), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor's Report, and management's discussion and analysis ("**MD&A**") for the financial year ended December 31, 2015 are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice of Annual General and Special Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from Computershare, at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or from the office of the Company which is located at Suite 400, 2424 4<sup>th</sup> Street SW, Calgary, Alberta, T2S 2T4.

#### **Appointment and Remuneration of Auditor**

Shareholders will be asked to approve the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR appointing Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants as the Company's independent auditor for the ensuing year, and FOR authorizing the Board to fix the auditor's pay.**

#### **Fixing the Number of Directors**

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors for the ensuing year at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR fixing the number of Directors at four for the ensuing year.**

#### **Election of Directors**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further

nominees for Directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated, in accordance with the Articles of the Company.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.**

### **INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. Each of the nominees are currently directors of the Company.

<b>Name, Province and Country of ordinary residence<sup>(1)</sup>, and positions held with the Company</b>	<b>Principal occupation and, IF NOT an elected Director, principal occupation during the past five years<sup>(1)</sup></b>	<b>Date(s) serving as a Director<sup>(2)</sup></b>	<b>No. of shares beneficially owned or controlled<sup>(1)</sup></b>
SIMON CLARKE <sup>(3)</sup> British Columbia, Canada Chief Executive Officer and Director	Chief Executive Officer of the Company; Capital Markets and Business Strategy Consultant	Since July 4, 2016	400,000 common shares
CHRISTOPHER REID Alberta, Canada Chief Financial Officer and Director	Chief Executive Officer of Petrodorado Energy Ltd.	Since July 4, 2016	200,000 common shares
MICHAEL COLLINS <sup>(3)</sup> British Columbia, Canada Director	Professional Geologist; Vice President of Mining Plus Canada Ltd.	Since July 4, 2016	Nil
BRIAN STECYK <sup>(3)</sup> Alberta, Canada Director	President of Rose Country Communications Ltd.	Since July 4, 2016	Nil

(1) This information, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as he is elected annually by Shareholders at Annual General Meetings, unless his office is earlier vacated in accordance with the Articles of the Company.

(3) Member of Audit Committee.

### ***Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions***

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

None of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this



Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) 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 a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
  - (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
  - (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
  - (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **CONTINUATION OF THE COMPANY**

The Company presently exists under the *Business Corporations Act* (Alberta) (the "**Alberta Act**"). Management believes it is in the best interests of the Company to effect a continuation (the "**Continuation**") of the Company to the federal jurisdiction whereupon the Company will be subject to the *Canada Business Corporations Act* (the "**Federal Act**"). Following completion of the Continuation, the Company's registered office would be relocated from the Province of Alberta to the Province of British Columbia. The Continuation is subject to the approval of Shareholders, by Special Resolution, and the Alberta Registrar of Corporations, upon being satisfied that that the Continuation will not adversely affect creditors or Shareholders.

The Federal Act adopts many provisions similar to those contained in corporate legislation elsewhere in Canada, including the Alberta Act, and will permit the Company to maintain its corporate records in the Province of British Columbia where Management is principally located.

If the Continuation is approved, Shareholders will also be approving:

- (a) the articles of continuance for the Company which are attached to this circular as Schedule "B" and which, if the Continuance is approved, will form the articles of incorporation for the Company pursuant to the Federal Act; and
- (b) the by-laws to be adopted by the Company after giving effect to the Continuance, and which are substantially similar to the existing by-laws of the Company with such changes as are necessary to give effect to the Federal Act.

Upon completion of the Continuation, the Alberta Act will cease to apply to the Company and the Company will be subject to the Federal Act as if it had been originally incorporated under the Federal Act. The Continuation will not result in any change in the business of the Company or its assets, liabilities, net worth, management or share

capital. Management is of the view that the Continuation will not result in any notable changes to the corporate law requirements applicable to the Company, as a result of the similarities in the requirements prescribed by the Alberta Act and the Federal Act.

Shareholders' shareholdings will not be altered by the Continuation, other than with respect to shareholders dissenting to the Continuation Resolution (see the section entitled "Shareholders Rights of Dissent to the Continuation" below for more information).

The proposed Continuation gives rise to a right of dissent under Section 191 of the Alberta Act (see "Shareholders Rights of Dissent to the Continuation" below). If the right of dissent is exercised by any of the Shareholders entitled to do so, and the Company completes the Continuation, the Company would be required to purchase for cash the dissenting shareholders' shares in the capital of the Company at the fair value of those shares, as at the close of business on the last business day before the special resolution approving the Continuation is adopted, subject to the Alberta Act.

### **Continuation Resolution**

At the Meeting, Shareholders will be asked to pass the following Special Resolution to approve the Continuation (the "**Continuation Resolution**"), substantially in the following form:

#### **"BE IT RESOLVED THAT:**

- (i) the Company be authorized to prepare articles of continuation in respect of the proposed continuation of the Company from the Province of Alberta to the federal jurisdiction;
- (ii) the Company apply to the Registrar of Corporations (Alberta) (the "**Alberta Registrar**") to permit such continuation in accordance with section 189 of the *Business Corporations Act* (Alberta) (the "**Alberta Act**");
- (iii) the Company apply to Corporations Canada (the "**Federal Registrar**") to permit such continuation in accordance with section 187 of the *Canada Business Corporations Act* (the "**Federal Act**");
- (iv) subject to the issuance by the Federal Registrar of a Certificate of Continuation and without affecting the validity of the Company and the existence of the Company by or under its articles of incorporation and by-laws and any act done thereunder, effective upon issuance of the Certificate of Continuation, the Company adopt the articles of continuation as its articles of incorporation, and amend its by-laws with such changes as are necessary pursuant to the Federal Act and as may be approved by the board of directors in their sole discretion, in substitution for the articles of incorporation and by-laws of the Company pursuant to the Alberta Act, and all amendments reflected therein, are approved and adopted;
- (v) Cassels Brock & Blackwell LLP be appointed as the Company's agent to file the articles of continuation with the Federal Registrar and to apply to the Alberta Registrar for authorization permitting the continuation and to request a certificate of discontinuation under the Alberta Act;
- (vi) on the date and time that the articles of continuation are filed with the Federal Registrar, the existing articles of incorporation and by-laws of the Company be replaced with the articles of continuation and by-laws adopted pursuant to the Federal Act, all as approved by the directors of the Company, and the Company's registered office be moved to the Province of British Columbia;
- (vii) notwithstanding the passage of this special resolution by the shareholders of the Company, the directors of the Company, in their sole discretion and without further notice to or approval of the shareholders of the Company, may decide not to proceed with the continuation or otherwise give effect to this special resolution, at any time prior to the continuation becoming effective; and
- (viii) any one officer or director of the Company is authorized, for and on behalf of the Company, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and

the matters authorized hereby including, without limitation, the execution and filing of the Articles of Continuation and any forms prescribed by or contemplated under the Federal Act.”

Management recommends that Shareholders approve the Continuation Resolution.

If the Continuation Resolution is approved by Shareholders, the Company will file articles of continuation with the Federal Registrar pursuant to the requirements set out in the Federal Act. The Continuation will become effective at the date and time that the articles of continuation is filed with the Federal Registrar (the “**Effective Time**”). As at the Effective Time, the articles of continuation will become effective and the new by-laws will apply to govern the management and affairs of the Company.

Notwithstanding the approval of the Continuation Resolution by Shareholders, the Directors will have the authority, in their sole discretion, to implement or revoke the Continuation Resolution and otherwise implement or abandon the Continuation without further approval from the Shareholders. If the Continuation is abandoned, the Company’s jurisdiction of incorporation will remain under the Alberta Act and the Continuation will not be completed.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Continuation Resolution.**

### ***Shareholders Rights of Dissent to the Continuation***

Shareholders have the right to dissent (the “**Dissent Rights**”) to the Continuation pursuant to section 191 of the Alberta Act, the text of which is attached to this Circular as Schedule “C”.

If the actions approved by the Continuation Resolution become effective, any shareholder who dissents in accordance with the provisions of section 191 (a “**Dissenting Shareholder**”) will be entitled to be paid by the Company the fair value of the common shares held by such shareholder determined as at the close of business on the last business day before the Continuation Resolution was adopted. The procedure for exercising this remedy is set forth in Schedule “C” and should be reviewed carefully. **Failure to adhere strictly to the requirements of section 191 of the Alberta Act may result in the loss or unavailability of the noncompliant shareholders’ rights under that section.**

If a Shareholder exercises Dissent Rights, the Directors will exercise their sole discretion as to whether or not to proceed with the Continuation.

### **PROPOSED CHANGE OF NAME**

At the Meeting, Shareholders will be asked to pass the following Special Resolution to approve the change of the Company’s name (the “**Name Change Resolution**”), substantially in the following form:

#### **“BE IT RESOLVED THAT:**

- (i) the Company change its name to “Integrated Energy Storage Corp.” or such other name as may be acceptable to the directors of the Company and all regulatory authorities having jurisdiction, and that the Company’s constating documents be amended accordingly; and
- (ii) the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to effect the aforesaid name change; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders.”

Management recommends that the Shareholders approve the Name Change Resolution. If passed and effected by the Directors, the name change shall take effect immediately on the date and at the time the documents are filed as may be required pursuant to the *Business Corporations Act* (Alberta), or pursuant to the *Canada Business Corporations Act* in the event the name change is effected after giving effect to the Continuation Resolution, or at such other specific time as may be designed by the Directors.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, FOR the Name Change Resolution.**

**OTHER MATTERS**

As of the date of this Circular, management knows of no other matters to be acted upon at the Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

**AUDIT COMMITTEE DISCLOSURE**

The Charter of the Company's audit committee and other information required to be disclosed by National Instrument 52-110 – Audit Committees (“NI 52-110”) is attached to this Circular as Schedule “D”.

**CORPORATE GOVERNANCE DISCLOSURE**

The information required to be disclosed by National Instrument 58-101 – Disclosure of Corporate Governance Practices is attached to this Circular as Schedule “E”.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at Suite 400, 2424 4<sup>th</sup> Street SW, Calgary, Alberta, T2S 2T4.

**DIRECTOR APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Directors.

**DATED** at Vancouver, British Columbia, this 7<sup>th</sup> day of October, 2016.

**AILERON VENTURES LIMITED**

*/signed/ “Simon Clarke”*

**Simon Clarke  
Chief Executive Officer**

**SCHEDULE "A"**  
**CHANGE OF AUDITOR MATERIALS**

**(Attached)**

**AILERON VENTURES LIMITED**  
Suite 400 – 2424 – 4<sup>th</sup> Street SW  
Calgary, Alberta, T2S 2T4  
(the "**Company**")

**NOTICE OF CHANGE OF AUDITOR**  
(the "**Notice**")

**To: Collins Barrow Calgary LLP Chartered Professional Accountants**  
**And To: Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants**

1. The directors of the Company do not propose to re-appoint Collins Barrow Calgary LLP Chartered Professional Accountants, as auditors for the Company; and
2. The directors of the Company propose to appoint Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants, as auditors of the Company, effective September 30, 2016, to hold office until the next annual meeting of the Company.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Company confirms that:

1. Collins Barrow Calgary LLP Chartered Professional Accountants was asked to resign as auditor of the Company, effective September 30, 2016, to facilitate the appointment of Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants of Suite 1500, 1140 West Pender Street, Vancouver, B.C. V6E 4G1;
2. Collins Barrow Calgary LLP Chartered Professional Accountants has not expressed any reservation in its reports for the two most recently completed fiscal years of the Company, nor for the period from the most recently completed period for which Collins Barrow Calgary LLP Chartered Professional Accountants issued an audit report in respect of the Company and the date of this Notice;
3. In the opinion of the Board of Directors of the Company, no "reportable event" as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Company nor any period from the most recently completed for which Collins Barrow Calgary LLP Chartered Professional Accountants issued an audit report in respect of the Company and the date of this Notice; and
4. The Notice and Auditor's letters have been reviewed by the Audit Committee and the Board of Directors.

Dated as of the 29th day of September, 2016.

**AILERON VENTURES LIMITED**

*/signed/ "Simon Clarke"*

Simon Clarke, Chief Executive Officer

Collins Barrow Calgary LLP  
1400 First Alberta Place  
777 - 8th Avenue S.W.  
Calgary, Alberta, Canada  
T2P 3R5

October 11, 2016

**T.** 403.298.1500  
**F.** 403.298.5814  
email: calgary@collinsbarrow.com

Aileron Ventures Ltd.  
Suite 400, 2424 – 4<sup>th</sup> Street S.W.  
Calgary, Alberta T2S 2S4

Dear Sirs/Madames:

**Re: Aileron Ventures Ltd. (the “Company”)  
Change of Auditors  
Notice Pursuant to Part 4.11 of National Instrument 51-102**

As required by Part 4.11 of National Instrument 51-102, we have reviewed the information contained in the Company’s Notice of Change of Auditor dated September 29, 2016 (the “Notice”), and hereby confirm our agreement with the information contained in the Notice. The confirmation is based on our knowledge of the information as at the date of this letter.

Yours very truly,

**COLLINS BARROW CALGARY LLP**

*Collins Barrow Calgary LLP*

Chartered Professional Accountants

TDB/jld



**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1140 W. Pender Street  
Vancouver, BC V6E 4G1  
TEL 604.687.4747 | FAX 604.689.2778

700 – 2755 Lougheed Hwy.  
Port Coquitlam, BC V3B 5Y9  
TEL 604.941.8266 | FAX 604.941.0971

200 – 1688 152 Street  
Surrey, BC V4A 4N2  
TEL 604.531.1154 | FAX 604.538.2613

WWW.DMCL.CA

October 7, 2016

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**TSX Venture Exchange**

P.O. Box 11633  
Suite 2700 – 650 West Georgia Street  
Vancouver, B.C. V6B 4N9

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4

**Ontario Securities Commission**

20 Queen Street West, 22nd Floor  
Toronto, ON M5H 3S8

Dear Sirs:

**Re: Aileron Ventures Limited. (the "Company")**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated September 29, 2016 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS & BUSINESS ADVISORS

**PARTNERSHIP OF:**

**VANCOUVER** Bradley G. Allen Inc. Robert J. Burkart, Inc. Kenneth P. Chong Inc. Alvin F. Dale Ltd. Donald L. Furney, Ltd. David J. Goertz, Inc. Matthew G. Gosden, Inc. Barry S. Hartley, Inc. Reginald J. LaBonte Ltd. Robert J. Matheson, Inc. Rakesh I. Patel Inc. Lorraine W. Rinfret, Inc. Brad A. Robin Inc.  
**SURREY** Michael K. Braun Inc. Peter J. Donaldson, Inc. Harjit S. Sandhu, Inc. **TRI-CITIES** Isomura Services Corp. Fraser G. Ross, Ltd. Brian A. Shaw Inc.



**SCHEDULE "B"**  
**ARTICLES OF CONTINUANCE**

**(Attached)**



Form 11

1 -- Name of the Corporation

Dénomination sociale de la société

Aileron Ventures Limited

2 - The province or territory in Canada where the registered office is to be situated (do not indicate the full address)

La province ou le territoire au Canada où se situé le siège social (n'indiquez pas l'adresse complète)

British Columbia

3 -- The classes and any maximum number of shares that the corporation is authorized to issue

Catégories et tout nombre maximal d'actions que la société est autorisée à émettre

The Corporation is authorized to issue an unlimited number of shares of one class to be designated as Common Shares.

4 -- Restrictions, if any, on share transfers

Restrictions sur le transfert des actions, s'il y a lieu

None.

5 -- Minimum and maximum number of directors (for a fixed number of directors, please indicate the same number in both boxes)

Nombre minimal et maximal d'administrateurs (pour un nombre fixe, veuillez indiquer le même nombre dans les deux cases)

Minimum:

Maximum:

Minimal:

Maximal:

6 -- Restrictions, if any, on business the corporation may carry on

Limites imposées à l'activité commerciale de la société, s'il y a lieu

None.

7 -- (1) If change of name effected, previous name

(1) S'il y a changement de dénomination sociale, indiquer la dénomination sociale antérieure

1539460 Alberta Ltd.

(2) Details of incorporation

(2) Détails de la constitution

Incorporated in Alberta on May 31, 2010.

8 -- Other provisions, if any

Autres dispositions, s'il y a lieu

None.

9 -- Declaration: I hereby certify that I am a director or an officer of the corporation.

Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société

Signature

Printed Name – Nom en lettres moulées

/signed/ "Simon Clarke"

Simon Clarke

Note:

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Nota :

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ ou d'un emprisonnement maximal de six mois, ou de ces deux peines (paragraphe 250(1) de la LCSA).

**SCHEDULE “C”**  
**BUSINESS CORPORATIONS ACT (ALBERTA)**  
**SECTION 191**

**“Shareholder’s right to dissent**

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
- (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder’s right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder’s right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5), to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

- (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

- (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
- (a) be made on the same terms, and
- (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
- (a) is not required to give security for costs in respect of an application under subsection (6), and
- (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for
- (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
- (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,
- (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
- (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
- (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
- (f) the service of documents, and
- (g) the burden of proof on the parties.
- (13) On an application under subsection (6), the Court shall make an order
- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.
- (14) On
- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),
- whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.
- (15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).
- (16) Until one of the events mentioned in subsection (14) occurs,
- (a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,  
and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due,  
or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

**SCHEDULE “D”  
FORM 52-110F2  
AUDIT COMMITTEE DISCLOSURE (VENTURE ISSUERS)**

**Item 1: The Audit Committee Charter**

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of the Company. The role of the Committee is to provide oversight of the Company’s financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company’s external auditor is ultimately accountable to the Board and the Committee as representatives of the Company’s shareholders.

**Duties and Responsibilities**

*External Auditor*

- (a) To recommend to the Board, for shareholder approval, an external auditor to examine the Company’s accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (c) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- (d) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- (e) To obtain and review, at least annually, a written report by the external auditor setting out the auditor’s internal quality-control procedures, any material issues raised by the auditor’s internal quality-control reviews and the steps taken to resolve those issues.
- (f) To review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company’s financial statements:
  - (i) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
  - (ii) No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual’s association with the external auditor;
  - (iii) The Chief Financial Officer (“**CFO**”) must approve all office hires from the external auditor; and
  - (iv) The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.

- (g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

#### *Financial Information and Reporting*

- (a) To review the Company's annual audited financial statements with the Chief Executive Officer (“CEO”) and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- (b) To review and discuss with management and the external auditor, as appropriate:
  - (i) The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
  - (ii) Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

#### *Oversight*

- (a) To review the internal audit staff functions, including:
  - (i) The purpose, authority and organizational reporting lines;
  - (ii) The annual audit plan, budget and staffing; and
  - (iii) The appointment and compensation of the controller, if any.
- (b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

#### **Membership**

- (a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise “unrelated” or “independent” as required under applicable securities rules or applicable stock exchange rules.
- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be “financially literate” (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

### **Procedures**

- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the “**Chair**”). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the “**Secretary**”) who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum, and provided that a majority of the members must be “independent” or “unrelated”.
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee’s obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- (h) The Committee has the authority to communicate directly with the internal and external auditors.

### **Reports**

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.
- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

### **Item 2: Composition of the Audit Committee**

National Instrument 52-110 Audit Committees, (“**NI 52-110**”) provides that 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 Company's Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has 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 reasonably be expected to be raised by the Company's financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The current members of the Audit Committee are Simon Clarke, Michael Collins and Brian Stecyk, two of whom are independent (Messrs. Collins and Stecyk) and all of whom are financially literate as defined by NI 52-110.

### **Item 3: Relevant Education And Experience**

All members of the Audit Committee hold professional accounting designations and been involved in enterprises which public report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

#### ***Simon Clarke***

Mr. Clarke is the Chief Executive Officer of the Company. Mr. Clarke is a capital markets and business strategy advisor and consultant specializing in emerging stage businesses, with significant experience in energy, technology and natural resources. Mr. Clarke has served as a director and officer of several public companies, and is admitted as a solicitor with the Law Society of Scotland.

#### ***Michael Collins***

Mr. Collins is a professional geologist, and is the Vice-President of Mining Plus Canada Ltd., a specialized mining engineering consulting company. Mr. Collins has served as a director of several public companies in the resource sector, and is a member of the Association of Professional Geoscientists of Ontario and the Associate of Professional Engineers and Geoscientists of British Columbia.

#### ***Brian Stecyk***

Mr. Stecyk is the President of Rose Country Communications Ltd., a private marketing and communications firm. Mr. Stecyk has over 35 years of experience developing comprehensive marketing and organizational plans for businesses in a wide variety of market sectors.

### **Item 4: Audit Committee Oversight**

At no time during the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants) not adopted by the Board.

### **Item 5: Reliance on Certain Exemptions**

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (De Minimis Non-audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), and any exemption, in whole or in part, in Part 8 (Exemptions).

### **Item 6: Pre-Approval Policies and Procedures**

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

### **Item 7: External Auditor Service Fees (By Category)**

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the last two financial years for the category of fees described.

	<b>FYE 2015</b>	<b>FYE 2014</b>
Audit Fees <sup>(1)</sup>	\$6,000	\$6,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total Fees:</b>	<b>\$6,000</b>	<b>\$6,000</b>

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above

### **Item 8: Exemption**

During the most recently completed financial year, the Company relied on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

**SCHEDULE “E”  
FORM 58-101F2  
CORPORATE GOVERNANCE DISCLOSURE  
(VENTURE ISSUERS)**

**Item 1: Board Of Directors**

The board of directors of the Company (the “**Board**”) supervises the CEO and the CFO. Both the CEO and CFO are required to act in accordance with the scope of authority provided to them by the Board.

<b>Director</b>	<b>Independence</b>
Simon Clarke	Not independent, current CEO of the Company
Christopher Reid	Not independent, current CFO of the Company
Michael Collins	Independent
Brian Stecyk	Independent

**Item 2: Directorships**

The following directors of the Company are currently directors of the following other reporting issuers:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>
Christopher Reid	Petrodorado Energy Ltd.
Michael Collins	Argus Metals Corp.

**Item 3: Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company’s business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company’s professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

**Item 4: Ethical Business Conduct**

The Board has not adopted a formal code of ethics. In the Board’s view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by 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.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company’s professional advisors with respect to any issues related to ethical business conduct.

#### **Item 5: Nomination Of Directors**

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

#### **Item 6: Compensation**

The compensation of directors and the CEO is determined by the Board as a whole. Such compensation is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

#### **Item 7: Other Board Committees**

The Board does not have any standing committees other than the Audit Committee.

#### **Item 8: Assessments**

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.