

EXITO ENERGY II INC.

NOTICE AND INFORMATION CIRCULAR

DATED JULY 6, 2015

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD AT:

**THE OFFICES OF GOWLING LAFLEUR HENDERSON LLP
1600, 421 - 7 AVENUE SW
CALGARY, ALBERTA, T2P 4K9**

ON

**August 7, 2015
AT 10:00 A.M. (CALGARY TIME)**

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the transactions described in this Information Circular.

EXITO ENERGY II INC.

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD
AUGUST 7, 2015**

To the holders of Common Shares:

Notice is hereby given that the annual and special meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of Exito Energy II Inc. (the "**Corporation**") will be held at the offices of Gowling Lafleur Henderson LLP, 1600, 421 - 7 Avenue SW, Calgary, Alberta, T2P 4K9, on August 7, 2015 at 10:00 a.m. (Calgary time), and at any or all adjournments thereof (the "**Meeting**"), for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the year ended December 31, 2014 and December 31, 2013 and the auditors' reports thereon;
2. to consider and, if thought appropriate, to fix the number of directors of the Corporation for the ensuing year, or as otherwise authorized by the Shareholders, at seven (7) members;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint PricewaterhouseCoopers LLP as auditors of the Corporation for the ensuing year at such remuneration as may be fixed by the board of directors;
5. to consider and, if thought appropriate, to approve, with or without variation, the stock option plan of the Corporation as required by the policies of the TSX Venture Exchange (the "**TSXV**"), the full text of which is set forth in the accompanying information circular;
6. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution of disinterested Shareholders to approve transfer of the listing of the Common Shares to NEX if required as a result of the Corporation failing to complete a qualifying transaction in the time prescribed by the TSXV;
7. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution of disinterested Shareholders to approve transfer of the listing of the Common Shares to NEX if required as a result of the Corporation failing to complete a qualifying transaction in the time prescribed by the TSXV without cancelling the seed shares of the Corporation, subject to the TSXV approval; and
8. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be put to the Meeting are described in further detail in the information circular of the Corporation dated July 6, 2015 accompanying this Notice.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is July 6, 2015. Shareholders of the Corporation whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of his, her or its Common Shares after such date and the transferee of those Common Shares establishes that he, she or it owns the Common Shares and requests, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

Management is soliciting proxies. Shareholders who are unable to attend the Meeting or any adjournment thereof in person and who wish to ensure that their Common Shares will be voted are requested to complete, date and sign the

enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the management information circular of the Corporation dated July 6, 2015 accompanying this Notice, and mail it to or deposit it with:

Valiant Trust Company, Proxy Department
310, 606 – 4th Street SW, Calgary, Alberta T2P 1T1

Facsimile at 1-403-233-2857

For the proxy to be valid, the duly completed and signed form of proxy must be received not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the Meeting or any adjournment of the Meeting. A Shareholder may appoint as his, her or its proxy a person other than those named in the enclosed form of proxy. That person does not have to be a Shareholder.

Shareholders of the Corporation holding Common Shares registered in the name of a broker or other nominee should ensure that they make arrangements to instruct the broker or other nominee how their Common Shares are to be voted at the Meeting in order for their vote to be counted at the Meeting.

DATED at Calgary, Alberta this 6th day of July, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS
OF EXITO ENERGY II INC.**

(signed) "Bradley Docherty"

Bradley Docherty
President and Chief Executive Officer

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EXITO ENERGY II INC.

Information Circular – Proxy Statement – July 6, 2015

For the Annual and Special Meeting
of Shareholders of Exito Energy II Inc. to be held on August 7, 2015

SOLICITATION OF PROXIES

This Information Circular is furnished by the management of Exito Energy II Inc. (the "**Corporation**") to the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation in connection with the solicitation of proxies to be voted at the annual general and special meeting of the Shareholders (the "**Meeting**") to be held at Gowling Lafleur Henderson LLP, 1600, 421 - 7 Avenue SW, Calgary, Alberta, T2P 4K9, on August 7, 2015 at 10:00 a.m. (Calgary time), and at any adjournment thereof for the purposes set forth in the notice of meeting enclosed with this Information Circular (the "**Notice of Meeting**"). Only Shareholders of the Corporation of record on July 6, 2015 are entitled to notice of, to attend and to vote at the Meeting, unless a Shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than ten (10) days before the Meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of Shareholders.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The enclosed form of proxy (the "**Proxy Form**") is solicited by the management of the Corporation. The persons named in the enclosed Proxy Form are directors and/or officers of the Corporation (the "**management designees**"). **As a Shareholder submitting a proxy you have the right to appoint a person (who need not be a Shareholder) to represent you at the Meeting other than the person or persons designated in the Proxy Form furnished by the Corporation. To exercise this right you should insert the name of the desired representative in the blank space provided in the Proxy Form and strike out the other names or submit another appropriate proxy.** In order to be effective, the proxy must be mailed so as to be deposited at the office of the Corporation's transfer agent, Valiant Trust Company, Proxy Department, 310, 606 – 4th Street SW, Calgary, Alberta T2P 1T1, not later than 10:00 a.m. (Calgary time) on the second last business day preceding the date of the Meeting or any adjournment thereof. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Corporation's board of directors (the "**Board**") at its discretion without notice.

Shareholders may use Valiant Trust Company's website at www.valianttrust.com to transmit its voting instructions. Shareholders should have the form of proxy in hand when it accesses the website, as it will be prompted to enter its control number, which is located on the Proxy Form. If Shareholders vote using the website, their votes must be received not later than 10:00 a.m. (Calgary time) on August 5, 2015 or 48 hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxyholder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, the Shareholder may resubmit its proxy and/or voting direction prior to the deadline noted above. The most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

ADVICE TO BENEFICIAL HOLDERS

The information set forth in this section is of significant importance to many Shareholders of the Corporation as some Shareholders do not hold their Common Shares in their own names ("Beneficial Shareholders"). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If

Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker then, in almost all cases, those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy, except as set forth below. Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker often is identical to the Proxy Form provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting of shareholders. A Beneficial Shareholder receiving a voting instruction or proxy from Broadridge or another agent cannot use that proxy to vote Common Shares directly at the Meeting as the completed instruction or proxy must be returned as directed by Broadridge or another agent well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder's broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank spaces on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your Broker or Agent well in advance of the Meeting to determine how you can do so.

REVOCABILITY OF PROXY

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Valiant Trust Company, at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting or withholding from voting the registered Shareholder's Common Shares.

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

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of management of the Corporation. The Corporation will bear the costs incurred in the preparation and mailing of the Proxy Form, Notice of Meeting and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of the Corporation who will not be remunerated therefor.

EXERCISE OF DISCRETION BY PROXY

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

- (a) each matter identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy Form, the persons named in the Proxy Form will vote the Common Shares represented by the Proxy Form for the approval of such matter.

At the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote the Common Shares represented thereby in accordance with their best judgment on such matters.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value. As of July 6, 2015, there were 10,000,000 Common Shares of the Corporation issued and outstanding. Each Common Share carries the right to one vote. No other voting securities of the Corporation are currently issued and outstanding. The Board has fixed July 6, 2015 as the record date (the "**Record Date**") for the determination of Shareholders entitled to notice of and to vote at the Meeting, and at any adjournment thereof, except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting not later than ten (10) days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

To the best of the knowledge of the Corporation's directors and officers, no person, other than Bradley Docherty and Eli Abergel, beneficially owns directly or indirectly, or exercises control or direction over, 10% or more of the votes attached to the Common Shares.

VOTES NECESSARY TO PASS RESOLUTIONS AT THE ANNUAL AND SPECIAL MEETING

A simple majority of affirmative votes cast at the Meeting by the Shareholders of the Corporation is required to pass the resolutions fixing the number of directors to be elected at the Meeting, election of directors, appointment of the incumbent auditor and approval of the Corporation's stock option plan as required by the policies of the TSX Venture Exchange ("**TSXV**"). If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for

election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

QUORUM

Under the Corporation's by-laws, a quorum for the transaction of business at any meeting of shareholders shall be at least one person present in person or represented by proxy holding or representing in the aggregate not less than five (5%) percent of the Common Shares entitled to be voted at the meeting. Under the Corporation's by-laws and the *Business Corporations Act* (Alberta) (the "ABCA"), if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

FINANCIAL STATEMENTS

The Corporation's audited financial statements and management discussion and analysis for the year ended December 31, 2014 and December 31, 2013 have been forwarded to Shareholders together with the Information Circular. No formal action will be taken at the Meeting to approve the audited financial statements, with the requirements of the ABCA having been met with the advance circulation of such audited financial statements. If Shareholders have questions respecting the audited financial statements, the questions will be addressed during the "Other Business" portion of the Meeting.

PARTICULARS OF THE MATTERS TO BE ACTED UPON AT THE MEETING

Fixing the Number of Directors

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of one (1) and a maximum of eleven (11). At the Meeting, the management of the Corporation proposes to elect seven (7) directors. Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution:

"BE IT RESOLVED THAT the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the Shareholders of the Corporation be and is hereby fixed at seven (7)"

Unless otherwise directed, the management designees named in the accompanying Proxy Form intend to vote such proxies in favour of a resolution fixing the number of directors to be elected at the Meeting at seven (7).

Election of Directors

Directors will be elected at the Meeting. The Board presently consists of seven (7) members. It is proposed that the Board will be fixed at seven (7) members and the persons referred to in the table below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of Shareholders, or until his/her successor is duly elected or appointed, unless his/her office is vacated earlier.

Unless otherwise directed, it is the intention of the management designees, if named as proxy, to vote in favour of the election of the following persons to the Board. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, **the management designees, if named as proxyholder, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of that particular director.**

The following is a brief description of the proposed nominees, including their principal occupation for the past five (5) years, all positions and offices with the Corporation held by them and the number of Common Shares that

they have advised are beneficially owned, directly or indirectly, by them or over which control or direction is exercised by them, as at the Record Date.

Name, Municipality of Residence, and Office	Date Since Served as a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed
Bradley Docherty, ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta <i>President, Chief Executive Officer, Director and Promoter</i>	November 11, 2010	Mr. Docherty is the President, Chief Executive Officer and Chairman of the Board of Directors for Source Rock Royalties Ltd., a private company that owns and manages oil and gas royalties in the Western Canadian Sedimentary Basin. Mr. Docherty was formerly a securities lawyer who focused on working with TSXV listed issuers and private issuers seeking a public listing. From 2007 to 2009 Mr. Docherty practised at a national law firm and from 2009 to 2013 he practised independently. Mr. Docherty was Co-Founder, President, CEO, CFO and a Director of Exito Energy Inc., which was a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). Mr. Docherty is also currently a director of Shelter Modular Inc., a private company that manufactures, sells and installs modular structures. Mr. Docherty received his Bachelor of Laws degree from the University of Victoria in 2007.	1,000,000
Eli Abergel, ⁽⁴⁾ Calgary, Alberta <i>Corporate Secretary, Chief Financial Officer, Director and Promoter</i>	November 11, 2010	Mr. Abergel is the President, Chief Executive Officer and Director of 1657020 Alberta Ltd. and 0921430 BC Ltd., both are private companies that own and operate residential real estate in Kitimat, British Columbia. Mr. Abergel is also a director of 21065 Alberta Ltd., which is a private real estate company that owns and operates commercial assets in Calgary, Alberta. Mr. Abergel was Co-Founder, Corporate Secretary and a Director of Exito Energy Inc., which was a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). From 2008-2009 Mr. Abergel worked at Suncor Energy as in-house legal counsel. From 2004 to 2007 Mr. Abergel practised law at a national law firm. Mr. Abergel received his Bachelor of Laws degree from the University of Western Ontario in 2004.	1,000,000
William Matheson, ⁽¹⁾ Calgary, Alberta <i>Director</i>	November 11, 2010	Mr. Matheson is the President & CEO and a Director of Camber Resource Services Ltd., a private production and specialty chemicals company serving the oil and gas industry. Mr. Matheson also serves on the Board of Directors for Decidedly Jazz Danceworks ("DJJ"), a registered charity. DJJ is a professional dance company that creates original performances with live music. Mr. Matheson was a Director of Exito Energy Inc., which was a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). From 2011 to 2012, Mr. Matheson was the President & CEO of Carnaby Energy Ltd., a private oil and gas exploration company. From 2001 to 2009 Mr. Matheson was President & CEO of Result Energy Inc., a TSXV listed issuer. Prior thereto, Mr. Matheson was involved with Devlan Exploration Inc. Mr. Matheson has also acted as an advisor to the Alberta Petroleum Marketing Commission and the Alberta Stock Exchange. Mr. Matheson holds a Bachelor of Commerce degree from the University of Calgary.	200,000
Brody M. Loster, Calgary, Alberta <i>Director</i>	December 1, 2012	Mr. Loster is a Professional Geologist at Raging River Exploration Inc., a TSXV listed oil and gas producer that is focused on Viking assets in southwest Saskatchewan. Mr. Loster was a Director of Exito Energy Inc., which was	300,000

		a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). From 2009-2012, Mr. Loster was a Professional Geologist with Wild Stream Exploration Inc., a TSXV listed oil and gas producer that was focused in the Shaunavon and Dodsland Viking fairway of southwest Saskatchewan, which was purchased by Crescent Point Energy Corp. in 2011. From 2005 to 2009 Mr. Loster was a geologist at Wave Energy Ltd., a private oil and gas company that was purchased by Crescent Point Energy Corp. in October 2009. Mr. Loster received his Bachelor of Science degree in Earth and Ocean Sciences from the University of Victoria in 2001.	
Colin M. Reeves, Calgary, Alberta <i>Director</i>	December 1, 2012	Mr. Reeves is a Professional Geologist at Teine Energy Inc., a private oil and gas producer that is focused on Viking oil assets in southwest Saskatchewan. Mr. Reeves was a Director of Exito Energy Inc., which was a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). From 2011 to 2012, Mr. Reeves was a Geologist at Wild Stream Exploration Inc., a TSXV listed oil and gas producer that was focused in the Shaunavon and Dodsland Viking fairway of southwest Saskatchewan, which was purchased by Crescent Point Energy Corp. in 2011. From 2006 to 2011 Mr. Reeves was the President of C.M.R. Ltd., a private geological consulting company that performed conventional and unconventional drilling services, including shallow, deep and horizontal wells and heavy oil programs, for various companies in Alberta and Saskatchewan. Mr. Reeves received his Bachelor of Sciences degree in Geology and Hydrogeology from the University of Calgary in 2006.	600,000
Christopher Scase, ⁽¹⁾⁽⁵⁾ Calgary, Alberta <i>Director</i>	December 1, 2012	Mr. Scase is the Chief Financial Officer of Camber Resource Services Ltd., a production and specialty chemicals company serving the oil and gas industry. Mr. Scase is a Certified General Accountant and was formerly the Managing Partner at Scase & Lively Accounting's Calgary office. Mr. Scase was a Director of Exito Energy Inc., which was a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). Mr. Scase has acted as a director of and controller for a number of private companies within Western Canada's energy sector. Mr. Scase is currently a director and audit committee member of Blacksteel Energy Inc. (since 2009), a TSXV listed oil and gas company. Mr. Scase obtained his Bachelor of Commerce degree from the University of Calgary in 1996.	400,000
Andrew Oppenheim, Calgary, Alberta <i>Director</i>	December 1, 2012	Mr. Oppenheim is a partner at Gowling Lafleur Henderson LLP. Mr. Oppenheim was a Director of Exito Energy Inc., which was a Capital Pool Company listed on the TSXV prior to completing its Qualifying Transaction on November 29, 2012 and becoming Artisan Energy Corporation (AEC: TSXV). Mr. Oppenheim has been a practicing commercial lawyer for 33 years. Mr. Oppenheim is presently the lead director of Amica Mature Lifestyles Inc., Chair of the Board of Advantage Tower Ltd., a private integrated tower company providing state-of-the-art telecommunication solutions, and has served as a director of a number of other public and private companies.	500,000

Notes:

(1) Member of the Audit Committee.

(2) Mr. Docherty may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Docherty purchased 1,000,000 Common Shares at a price of \$0.05 per Common Share and he was granted an option to acquire 325,000 Common Shares at a price of \$0.10 per Common Share on closing of the initial public offering.

(3) 500,000 Common Shares are held by Mr. Docherty directly, and 500,000 Common Shares are held by Mr. Docherty through his wholly-owned corporation.

(4) Mr. Abergel may be considered to be the promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Abergel purchased 500,000 Common Shares at a price of \$0.05 per Common Share and he was granted an option to acquire 225,000 Common Shares at a price of \$0.10 per Common Share on closing of the initial public offering. Mr. Abergel also acquired a further 500,000 Common Shares from a company controlled by his former spouse.

(5) These Common Shares are held by The Hoff Inc., a corporation controlled by Mr. Scase.

As of the date hereof, the present directors and officers of the Corporation beneficially own, directly and indirectly, or exercise control or direction over 4,000,000 Common Shares, being approximately 40% of the issued and outstanding Common Shares.

Orders

To the knowledge of management of the Corporation, other than as described below, no director or proposed director of the Corporation is, or has been within the past ten (10) years, a director, chief executive officer or chief financial officer of any company (including the Corporation in respect of which this Information Circular is being prepared) that:

- (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; 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 director, chief executive officer or chief financial officer.

For the purposes of this section, "order" means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days.

Mr. Oppenheim is a director of PsiNaptic Inc. ("**PsiNaptic**"), a company that was listed on the TSXV August 2008 when it was transferred to the NEX. PsiNaptic was subsequently delisted from the NEX in October 2010. On January 29, 2008, while Mr. Oppenheim was a director of PsiNaptic, the Alberta Securities Commission issued a management cease trade order against PsiNaptic and certain of its insiders for failure to file financial statements. The financial statements were subsequently filed by PsiNaptic and this cease trade order expired on February 14, 2008. On February 4, 2009, while Mr. Oppenheim was a director of PsiNaptic, the Alberta Securities Commission issued a cease trade order against PsiNaptic for failure to file financial statements. The financial statements were subsequently filed by PsiNaptic and this cease trade order was revoked on March 4, 2009. On February 3, 2010, while Mr. Oppenheim was a director of PsiNaptic, the Alberta Securities Commission issued another cease trade order against PsiNaptic for failure to file financial statements. This cease trade order remains in effect.

Bankruptcies

To the knowledge of management of the Corporation, no director or proposed director of the Corporation is, or has been within the past ten (10) years, a director or executive officer of any company that, while such person was acting in that capacity or within a year of that individual 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.

To the knowledge of management of the Corporation, no director or proposed director of the Corporation is or has, within the ten (10) years prior to the date hereof, 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 that individual.

Penalties and Sanctions

To the knowledge of management of the Corporation, no proposed director has been subject to: (a) 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 (b) 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.

Appointment of Auditors

PricewaterhouseCoopers LLP ("**PWC**") are the Corporation's current auditors and were first appointed as auditors of the Corporation on January 14, 2013.

At the Meeting, shareholders will be asked to appoint PWC, of 111 5th Avenue SW #3100, Calgary, Alberta T2P 5L3, as auditors of the Corporation to serve until the close of the next annual general meeting of the Shareholders, and to authorize the directors to fix their remuneration.

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **Unless otherwise directed, the management designees named in the accompanying Proxy Form intend to vote in favour of the appointment of PWC as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, at a remuneration to be determined by the directors of the Corporation.**

Approval of Stock Option Plan of the Corporation

The Shareholders will be asked to consider, and if deemed advisable, to approve the proposed stock option plan of the Corporation (the "**Option Plan**") attached as Schedule "A" to this Information Circular. Approval of the Option Plan is being sought in accordance with the policies of the TSXV, whereby issuers whose stock option plans are "rolling plans" (plans which reserve shares for issuance upon the exercise of options based upon a percentage of the issuer's issued and outstanding shares rather than a fixed number), must have such plans approved by the Shareholders at each annual Meeting of the Shareholders. The Shareholders will therefore be asked at the Meeting to approve a resolution approving the proposed Option Plan.

The Option Plan, approved by the Board on March 28, 2013, is a "rolling plan". The Option Plan is intended to provide the Board with the ability to issue options to provide the employees, officers, directors and consultants of the Corporation with long-term equity-based performance incentives which are a key component of the Corporation's compensation strategy. The Corporation believes it is important to align the interests of management, employees and consultants with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value.

The aggregate number of Common Shares issuable upon the exercise of all options granted under the Option Plan cannot exceed 10% of the issued and outstanding Common Shares in any 12 month period. As of the Record Date, options to acquire 1,000,000 Common Shares have been granted pursuant to the Option Plan, representing 10% of the issued and outstanding Common Shares.

The Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the Option Plan:

"BE IT RESOLVED THAT:

1. the stock option plan of the Corporation, substantially in the form attached as Schedule "A" to the Information Circular of the Corporation dated July 6, 2015, be and is hereby approved and adopted as the stock option plan of the Corporation;

2. the form of the stock option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation; and
3. any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The management designees, unless instructed otherwise, intend to vote to approve the Option Plan in substantially the form as attached as Schedule "A" to this Information Circular.**

Transfer to NEX and Cancellation of Certain Seed Shares

Shareholders will be asked at the Meeting to consider and, if thought appropriate, to pass a resolution, with or without variation, approving the transfer of the Corporation's listing on the TSXV to a listing on NEX board of the TSXV (the "NEX") and to approve the cancellation of certain seed shares, should such procedures become necessary.

Background

Pursuant to TSXV Policy 2.4 (the "**TSXV Policy**"), the Corporation was required to complete a Qualifying Transaction (as defined in the TSXV Policy) by May 7, 2015, 24 months from the date of its listing on TSXV. As a result of not completing a Qualifying Transaction prior to this deadline, trading of the Corporation's shares has been suspended and trading will remain suspended in accordance with the applicable TSXV policies until such time as the TSXV lifts the suspension. Due to ongoing challenging market conditions, the TSXV is accepting discretionary applications for extensions to qualifying transaction deadlines that if granted, would result in the Corporation having until on or about February 13, 2016 to complete a Qualifying Transaction. The Corporation has submitted its application to the TSXV for this extension, however there is no assurance that such an extension will be granted.

Transfer to NEX

If the Corporation fails to complete a Qualifying Transaction in the time prescribed by the TSXV, it will be required to delist its Common Shares from the TSXV or move to be listed on the NEX (the "**NEX Transfer**"). The NEX Transfer resolution will only be adopted by the Board if the Corporation is unsuccessful in obtaining an extension from the TSXV as described above, or if the Corporation subsequently fails to complete a Qualifying Transaction and the TSXV determines that the Common Shares should be transferred to the NEX. The TSXV Policy provides that if a Capital Pool Company ("**CPC**") has not completed a Qualifying Transaction within the time frame prescribed by the TSXV Policy, rather than be delisted it may apply for listing on the NEX, a separate board of the TSXV that provides a trading forum for listed companies that have fallen below the TSXV's continued listing requirements. NEX-listed issuers benefit from the support and visibility provided by a listing and trading environment more suitable to their situation, with an opportunity to re-apply for listing on the TSXV once the issuer can evidence compliance with the TSXV's continued listing requirements.

Cancellation of Seed Shares

To effect the NEX Transfer, the TSXV Policy requires that either: (i) all seed shares purchased by non-arm's length parties to the Corporation (the "**Seed Shares**") at a discount to the initial public offering price ("**IPO Price**") be cancelled; or (ii) with the approval of the disinterested Shareholders, the Corporation can cancel an amount of the Seed Shares so that the average cost of the remaining Seed Shares is at least equal to the IPO Price. As the Corporation's IPO Price was \$0.10, the disinterested Shareholders will be asked at the Meeting to approve the cancellation of 50% of the Seed Shares which are held by non-arm's length parties to the Corporation (the "**Seed Share Cancellation**").

Details of those Seed Shares proposed to be cancelled should a NEX Transfer become necessary, are summarized as follows:

Non-Arm's Length Party	Number of Seed Shares owned, directly, indirectly , or which control or direction is exercised⁽¹⁾	Number of Seed Shares to be cancelled should a NEX Transfer become necessary
Bradley Docherty	500,000	250,000
Brad R. Docherty Professional Corporation	500,000	250,000
Eli Abergel	1,000,000	500,000
Colin Reeves	600,000	300,000
Andrew Oppenheim	500,000	250,000
The Hoff Inc.	400,000	200,000
Brody Loster	300,000	150,000
William Matheson	200,000	100,000

Note:

- (1) Common Shares were purchased for \$0.05 per share and are subject to the escrow agreement dated March 28, 2013 among the Corporation, Valiant Trust Company and certain security holders of the Corporation ("**Escrow Agreement**").

Approval Requirements – The NEX Resolution

In accordance with the TSXV Policy, the NEX Transfer and the concurrent Seed Share Cancellation must be approved as an ordinary resolution (the "**NEX Resolution**") by disinterested Shareholders. For this purpose, the votes attaching to an aggregate 4,000,000 Common Shares, which are beneficially owned, directly or indirectly, or over which control or direction is exercised by the officers and directors of the Corporation and their associates or affiliates (as summarized in the table above), representing approximately 40% of the Corporation's issued and outstanding Common Shares, will be excluded from voting on the NEX Resolution.

The Board has unanimously approved the NEX Transfer and recommends that Shareholders vote FOR the NEX Resolution approving the NEX Transfer. Notwithstanding the foregoing, as indicated in the text of the NEX Resolution below, the Board may, in its sole discretion, determine that the Corporation not proceed with the NEX Transfer.

In the event the Corporation is unsuccessful in obtaining the discretionary extension, and if the NEX Resolution is not approved by a majority of votes cast at the meeting by Disinterested Shareholders, the Shares will be delisted by the TSXV such that there will no longer be a public market for trading the Common Shares, and in accordance with the TSXV Policy and the terms of the Escrow Agreement, all of the Seed Shares purchased at \$0.05 per share will be cancelled.

The Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the NEX Transfer:

"BE IT RESOLVED THAT:

1. If the Corporation fails to complete a Qualifying Transaction (as defined in TSX Venture Exchange Policy 2.4) in the time prescribed by the TSX Venture Exchange (the "**TSXV**"), the common shares in the capital of the Corporation (the "**Common Shares**") shall be transferred from the TSXV and immediately thereafter be listed on the NEX (the "**NEX Transfer**").

2. Upon the completion of the NEX Transfer, an aggregate of 2,000,000 Common Shares originally issued to non-arm's length parties to the Corporation, which Common Shares are currently deposited in escrow, be cancelled (the "**Seed Share Cancellation**").
3. Notwithstanding that this resolution has been passed, the directors of the Corporation are hereby authorized and empowered without further notice to, or approval of, the shareholders of the Corporation, to determine not to proceed with the NEX Transfer or related Seed Share Cancellation. The directors of the Corporation may, at their sole discretion, revoke this resolution before it is acted upon without further approval or authorization of the shareholders of the Corporation.
4. Any director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Disinterested Shareholders voting in person or by proxy. **The management designees, unless instructed otherwise, intend to vote to approve the NEX Transfer.**

The Seed Shares Resolution

Notwithstanding the foregoing section, the Board believes that not proceeding with the Seed Share Cancellation would not be detrimental to Corporation and as such is seeking shareholder approval to proceed with the NEX Transfer, without cancelling the Seed Shares (the "**Retention of Seed Shares**").

The Retention of Seed Shares must be approved as an ordinary resolution (the "**Seed Shares Resolution**") by disinterested Shareholders. For this purpose, the votes attaching to an aggregate 4,000,000 Common Shares, which are beneficially owned, directly or indirectly, or over which control or direction is exercised by the officers and directors of the Corporation and their associates or affiliates (as summarized in the table above), representing approximately 40% of the Corporation's issued and outstanding Common Shares, will be excluded from voting on the Seed Shares Resolution.

The Disinterested Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the Retention of Seed Shares:

"BE IT RESOLVED THAT:

1. In the event that the Corporation does not complete a Qualifying Transaction (as defined in TSX Venture Exchange Policy 2.4) in the time prescribed by the TSX Venture Exchange (the "**TSXV**"), the common shares in the capital of the Corporation (the "**Common Shares**") shall be transferred from the TSXV and immediately thereafter be listed on the NEX (the "**NEX Transfer**").
2. Subject to TSXV approval, the Corporation may affect the NEX Transfer without the Seed Share Cancellation.
3. Any director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby,

such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions."

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Disinterested Shareholders voting in person or by proxy. **The management designees, unless instructed otherwise, intend to vote to approve the Retention of Seed Shares.**

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

As of May 7, 2015, the Corporation had not yet completed a Qualifying Transaction pursuant to the TSXV Policy. Accordingly, except as described in the Summary Compensation Table below, the executive officers of the Corporation, were not paid any compensation during the financial year ended December 31, 2014, as the TSXV Policy prohibits directors and officers from receiving remuneration while the Corporation is a CPC.

Summary Compensation Table

The following table sets forth, for the year ended December 31, 2014, information concerning the compensation paid to the Corporation's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the 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 year ended December 31, 2014, whose total compensation was more than \$150,000 (each a "Named Executive Officer" or "NEO" and collectively, the "Named Executive Officers" or "NEOs").

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)			All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans	Pension value (\$)		
Bradley Docherty, President, CEO and Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	8,572 ⁽²⁾	8,572
	2013	Nil	Nil	16,250	Nil	Nil	Nil	6,429 ⁽²⁾	22,679
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Eli Abergel, CFO, Corporate Secretary and Director	2014	Nil	Nil	Nil	Nil	Nil	Nil	8,572 ⁽²⁾	8,572
	2013	Nil	Nil	11,250	Nil	Nil	Nil	6,429 ⁽²⁾	17,679
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) The options were granted on May 13, 2013. Reflects stock options issued based on the grant date fair value of the applicable awards. The grant date fair value of each stock option granted is determined using the Black Scholes option pricing model based on the following assumptions: risk-free interest rate of 1.57%; volatility of 100%; average expected life of 4.3 years; estimated forfeiture rate of 0%; and no expectation of dividends.
- (2) The fees were paid pursuant to an administrative services agreement (the "**Administrative Services Agreement**") between the Corporation and Capitalize Consulting Corp. ("**Capitalize**"), a corporation which is owned by Mr. Docherty (50%) and Mr. Abergel (50%). Capitalize is paid \$1,428.58 (plus applicable tax) monthly pursuant to the Administrative Services Agreement. The Corporation paid Capitalize an aggregate of \$17,143 for the year ended December 31, 2014 and an aggregate \$12,857 for the year ended December 31, 2013. No fees were paid to Capitalize for the year ended December 31, 2012. Each of Mr. Docherty and Mr. Abergel have been allocated 50% of such compensation in the summary table above.

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

The Corporation did not have any share-based awards outstanding at the end of the most recently completed financial year.

The following table sets forth for each Named Executive Officer all option-based awards outstanding at the end of the year ended December 31, 2014.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Bradley Docherty, <i>President, CEO and Director</i>	325,000	\$0.10	May 13, 2018	Nil	Nil	Nil	Nil
Eli Abergel, <i>CFO, Corporate Secretary and Director</i>	225,000	\$0.10	May 13, 2018	Nil	Nil	Nil	Nil

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014. The Corporation did not have any share-based awards vested at the end of the most recently completed financial year.

Name	Option based awards – Value vested during the year ⁽¹⁾ (\$)	Share based awards – Value vested during the year (\$)	Non equity incentive plan compensation – Value earned during the year (\$)
Bradley Docherty, <i>President, CEO and Director</i>	Nil	Nil	Nil
Eli Abergel, <i>CFO, Corporate Secretary and Director</i>	Nil	Nil	Nil

PENSION PLAN BENEFITS

During the year ended December 31, 2014, the Corporation did not have any defined benefit, defined contribution or deferred compensation plans.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT

There are no current employment contracts between the Corporation and any NEO, nor are there any current agreements between the Corporation and any NEO that provide for payment to the Named Executive Officers in the event of termination of employment or change of control of the Corporation.

DIRECTOR COMPENSATION

The Corporation does not currently pay cash fees for services to its independent directors. Each of the directors participates in the Option Plan.

Stock Option Discussion and Analysis

On May 13, 2013, the Corporation granted options to purchase a total of 1,000,000 Common Shares to the directors of the Corporation, exercisable at a price of \$0.10 per share. The options vested immediately and expire five (5) years from the closing of the initial public offering on May 13, 2018.

The Corporation recorded stock based compensation of \$74,760 as the fair value of these stock options. The fair value was calculated using the Black-Scholes option pricing model with a volatility of 100%, a term of five years, a risk-free interest rate of 1.57% and no expectation of dividends.

As at December 31, 2014, directors' options to purchase 1,000,000 Common Shares at \$0.10 per share, expiring May 13, 2018 are outstanding.

Directors' Summary Compensation Table

The following table sets out all compensation paid to directors, other than directors who are also Named Executive Officers, for the year ended December 31, 2014.

Name	Fees earned (\$)	Share-based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
William Matheson <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brody Loster <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Colin Reeves <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Christopher Scase <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Oppenheim <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, all option-based awards outstanding at the end of the year ended December 31, 2014. The Corporation does not have any outstanding share-based awards.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
William Matheson <i>Director</i>	100,000	\$0.10	May 13, 2018	Nil	Nil	Nil
Brody Loster <i>Director</i>	100,000	\$0.10	May 13, 2018	Nil	Nil	Nil
Colin Reeves <i>Director</i>	100,000	\$0.10	May 13, 2018	Nil	Nil	Nil

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Christopher Scase <i>Director</i>	75,000	\$0.10	May 13, 2018	Nil	Nil	Nil
Andrew Oppenheim <i>Director</i>	75,000	\$0.10	May 13, 2018	Nil	Nil	Nil

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, the value of option-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014. The Corporation does not have any vested share-based awards.

Name	Option based awards – Value vested during the year ⁽¹⁾ (\$)	Share based awards – Value vested during the year (\$)	Non equity incentive plan compensation – Value earned during the year (\$)
William Matheson <i>Director</i>	Nil	Nil	Nil
Brody Loster <i>Director</i>	Nil	Nil	Nil
Colin Reeves <i>Director</i>	Nil	Nil	Nil
Christopher Scase <i>Director</i>	Nil	Nil	Nil
Andrew Oppenheim <i>Director</i>	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2014.

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 securityholders ⁽¹⁾	1,000,000	\$0.10	0
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,000,000	\$0.10	0

Note:

- (1) The Corporation's Option Plan authorizes the issuance of stock options entitling the holders to acquire, in the aggregate, up to 10% of its Common Shares from time to time.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the most recently completed financial year was there any indebtedness of any director or officer, or any associate of any such director or officer to the Corporation or to any other entity which 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 Corporation.

INTEREST OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere herein, none of the directors, executive officers, principal shareholders of the Corporation, or informed persons (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), and no associate or affiliate of any of them, has or has had any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transactions which has materially affected or would materially affect the Corporation.

AUDIT COMMITTEE

The Audit Committee's Charter

The text of the Corporation's audit committee (the "**Audit Committee**") charter is attached as Schedule "B" to this Information Circular.

Composition of the Audit Committee

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") provides that a member of the Audit Committee is independent if the member has no direct or indirect material relationship with the corporation. A material relationship means a relationship which could, in the view of a board of directors, reasonably interfere with the exercise of a member's independent judgment.

NI 52-110 further provides that a member of the Audit Committee is considered 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 corporation.

The current members of Audit Committee are Brad Docherty, William Matheson and Christopher Scase. The Board has determined that each member of the Audit Committee is independent in accordance with Section 1.4 of NI 52-110 and that each member of the Audit Committee is financially literate in accordance with NI 52-110.

Relevant Education and Experience

Name and Place of Residence	Independent	Financially Literate	Relevant Education and Experience
Bradley Docherty	Yes	Yes	Mr. Docherty is the President, Chief Executive Officer and Chairman of the Board of Directors for Source Rock Royalties Ltd., a private company that owns and manages oil and gas royalties in the Western Canadian Sedimentary Basin. Mr. Docherty was formerly a securities lawyer who focused on working with TSXV listed issuers and private issuers seeking a public listing. Mr. Docherty received his Bachelor of Laws degree from the University of Victoria in 2007.

Name and Place of Residence	Independent	Financially Literate	Relevant Education and Experience
William Matheson	Yes	Yes	Mr. Matheson is the President & CEO and a Director of Camber Resource Services Ltd., a private production and specialty chemicals company serving the oil and gas industry. From 2011 to 2012, Mr. Matheson was the President & CEO of Carnaby Energy Ltd., a private oil and gas exploration company. From 2001 to 2009 Mr. Matheson was President & CEO of Result Energy Inc., a TSXV listed issuer. Prior thereto, Mr. Matheson was involved with Devlan Exploration Inc. Mr. Matheson has also acted as an advisor to the Alberta Petroleum Marketing Commission and the Alberta Stock Exchange. Mr. Matheson holds a Bachelor of Commerce degree from the University of Calgary.
Christopher Scase	Yes	Yes	Mr. Scase is the Chief Financial Officer of Camber Resource Services Ltd., a production and specialty chemicals company serving the oil and gas industry. Mr. Scase is a Certified General Accountant and was formerly the Managing Partner at Scase & Lively Accounting's Calgary office. Mr. Scase has acted as a director of and controller for a number of private companies within Western Canada's energy sector. Mr. Scase is currently a director and audit committee member of Blacksteel Energy Inc. (since 2009), a TSXV listed oil and gas company. Mr. Scase obtained his Bachelor of Commerce degree from the University of Calgary in 1996.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services but all such services will be subject to prior approval of the Audit Committee.

External Auditor Services Fees

The aggregate fees billed by the Corporation's auditors for the years ended December 31, 2014 are as follows:

Financial Period	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
Year ended December 31, 2014	\$10,000	Nil	Nil	Nil
Year ended December 31, 2013	\$7000	Nil	Nil	Nil

Notes:

- (1) "**Audit Fees**" include fees necessary to perform the annual audit of the Corporation's financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include quarterly reviews of the financial statements, 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 fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. 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 all other non-audit services.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of its reporting obligations under NI 52-110 for the year ended December 31, 2014. Section 6.1 exempts a "venture issuer" from the requirement to comply with Part 3 "*Composition of the Audit Committee*" and Part 5 "*Reporting Obligations*" of NI 52-110.

AUDITORS

The current auditors of the Corporation are PricewaterhouseCoopers LLP ("**PWC**"), of Suite 111 5th Avenue SW #3100, Calgary, Alberta T2P 5L3. PWC has been the auditors of the Corporation since January 14, 2013.

CORPORATE GOVERNANCE

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of a corporation's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility of evaluating potential Qualifying Transactions for the Corporation. The Board facilitates its independent supervision over management by reviewing and approving agreements relating to any potential Qualifying Transaction. Through the Audit Committee, the Board examines the effectiveness of the Corporation's internal control processes and information systems.

The following members of the Board are independent in accordance with Section 1.4 of NI 52-110: William Matheson, Brody Loster, Colin Reeves, Christopher Scase and Andrew Oppenheim.

The non-independent directors are Bradley Docherty and Eli Abergel. Mr. Docherty is not independent as he is the President and Chief Executive Officer of the Corporation. Mr. Abergel is not independent as he is the Chief Financial Officer and Corporate Secretary of the Corporation.

The majority of the Board is currently independent.

Other Directorships

The directors of the Corporation that are directors of other reporting issuers is outlined in the table below:

<u>Name of Director</u>	<u>Name of Other Issuer</u>
Christopher Scase	Blacksteel Energy Inc.
Andrew Oppenheim	Amica Mature Lifestyles Inc.

Orientations and Continuing Education

The Board has not yet adopted any formal orientation or continuing education program for directors. If new directors are added, the current directors and officers will assist the new directors to become familiar with the Corporation.

Ethical Business Conduct

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having a sufficient number of its independent Board members address all corporate matters which rightly fall before a board of directors of a public corporation.

Nomination of Directors

The Corporation does not have a nominating committee, and these functions are currently performed by the Board as a whole. A formal nomination process has not been adopted. The nominees are generally chosen as a result of recruitment efforts by the board members, including both formal and informal discussions member of the Board.

Compensation

The Corporation does not have a compensation committee as the Corporation is a CPC and is not permitted to pay any compensation to its directors and officers.

Other Board Committees

The Board has not established any committees other than the Audit Committee.

Assessments

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director is informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

OTHER MATTERS COMING BEFORE THE MEETING

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited by this Information Circular will be voted on such matters in accordance with the best judgment of the person voting such proxy.

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

No director or officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, and the approval of the financing.

ADDITIONAL INFORMATION

Financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the year ended December 31, 2014. To receive a copy of the Corporation's audited financial statements and related management's discussion and analysis, please contact the Corporation c/o its registered office at Suite 1600, 421 - 7 Avenue SW, Calgary, Alberta, T2P 4K9, Attention: Frank Y. Sur. This information and additional information relating to the Corporation may also be accessed on SEDAR at www.sedar.com.

SCHEDULE "A"

**EXITO ENERGY II INC.
STOCK OPTION PLAN**

(See attached)

STOCK OPTION PLAN OF EXITO ENERGY II INC.

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of **EXITO ENERGY II INC.**, a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

However, other than in connection with a "Qualifying Transaction" (as defined in Policy 2.4 of the Exchange) or otherwise accepted by the TSX Venture Exchange, during the time that the Corporation is a "Capital Pool Company" (as defined in Policy 2.4 of the Exchange), the aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the common

shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering.

5. **Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. **Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. **Exercise Price**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Corporation's shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. **Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to anyone Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any twelve month

period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to anyone consultant of the Corporation (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange, being 10 years for the TSX Venture Exchange.

10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. **Ceasing To Be a Director, Officer, Consultant or Employee**

- (a) Subject to Subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 60 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. **Death of Participant**

Notwithstanding Section 11, in the event of the death of a Participant, any all unexercised options previously granted to him shall immediately vest and be exercisable within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. **Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until such Shares shall have been issued.

14. **Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. **Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged

for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

17. Amendment and Termination of Plan

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Common Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

18. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

19. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

20. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

SCHEDULE "B"

**EXITO ENERGY II INC.
AUDIT COMMITTEE CHARTER**

(See attached)

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on March 28, 2013)

A. PURPOSE

The overall purpose of the Audit Committee (the "Committee") is to ensure that the management of Exito Energy II Inc. (the "Corporation") has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts. In particular, the Committee must ensure compliance with National Instrument 52-110 - *Audit Committees* ("NI 52-110").

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. Unless exempt from the requirements of Part 3 of NI 52-110, the Committee shall consist of at least three members of the Board of Directors (the "Board"), all of whom shall be "independent", as that term is defined in NI 52-110.
2. Unless exempt from the requirements of Part 3 of NI 52-110, all members of the Committee shall be "financially literate", as that term is defined in NI 52-110.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
5. Unless exempt from the requirements of Part 3 of NI 52-110, the secretary of the Committee shall be selected by the Committee, and shall be "financially literate" unless otherwise determined by the Committee.
6. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
7. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's internal and external auditors, and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.
8. The Committee shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.
9. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

- (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:
 - Chief Financial Officer;
 - (d) other management representatives shall be invited to attend as necessary.
10. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

C. DUTIES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation and to verify the independence of such external auditors;
 - (b) to review and recommend to the Board the scope and timing of the audit and other related services rendered by the external auditors and the compensation therefor;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to directly oversee the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;

- (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
- (f) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles;
 - (g) to pre-approve all non-audit services to be provided to the Corporation by the external auditors unless otherwise provided for in NI 52-110;
 - (h) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management;
 - (i) to review the Corporation's financial statements, MD&A and press releases announcing annual and interim earnings before the Corporation publicly discloses the information;
 - (j) to ensure that procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (i) above, and periodically assess the adequacy of the procedures;
 - (k) to implement procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 - (iii) to review and approve the Corporation's hiring policies regarding partners, employees or former partners and employees of the present and former external auditors of the Corporation.

3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

- (b) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (c) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto and to:
- (a) review and approve the financial sections of:
 - (i) annual reports to shareholders;
 - (ii) annual information forms (if adopted);
 - (iii) prospectuses; and
 - (iv) other public reports requiring approval by the Board,and report to the Board with respect thereto;
 - (b) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (c) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (d) review and report on the integrity of the Corporation's consolidated financial statements;
 - (e) review the minutes of any audit committee meeting of subsidiary companies;
 - (f) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (g) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts; and

develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

