



**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 5, 2018**

**NOTICE OF ANNUAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

DATED: OCTOBER 30, 2018

**TO BE HELD AT
RAISE PRODUCTION INC.
2620 - 58th AVENUE S.E.
Calgary, Alberta
T2C 1G5**

**NOTICE OF ANNUAL MEETING
TO BE HELD ON DECEMBER 5, 2018**

NOTICE IS HEREBY GIVEN (the “**Notice of Meeting**”) that an annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of RAISE PRODUCTION INC. (the “**Corporation**”) will be held at 9:00am (Calgary time) on December 5, 2018 at the Corporation’s office, 2620 – 58th Avenue S.E., Calgary, Alberta, Canada, for the following purposes:

1. To receive the audited financial statements of the Corporation for the financial year ended December 31, 2017;
2. To fix the board of directors of the Corporation (the “**Board**”) to be elected at the Meeting at six members and to elect the Board of the Corporation for the ensuing year;
3. To consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the appointment of Ernst & Young LLP, as the Corporation’s auditor for the ensuing year and to authorize the Board to fix the auditor’s remuneration;
4. To consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the Corporation’s Amended and Restated Stock Option Plan, in the form as set forth in Schedule “A” of the Corporation’s Management Information Circular dated October 30, 2018; and
5. To transact any such other business as may properly be brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular, including the schedules thereto.

Only Shareholders of record at the close of business on October 30, 2018 will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder, not later than 10 calendar days before the Meeting, establishes ownership of the Common Shares and demands that the transferee’s name be included on the list of Shareholders. Such transferee will be entitled to vote those Common Shares at the Meeting.

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Odyssey Trust Company, Proxy Tabulation Department, 350, 300 – 5th Avenue S.W., Calgary, Alberta, T2P 3C4 no later than 9:00 am (Calgary time) on December 3, 2018, or if the Meeting is adjourned, by no later than 48 hours prior to the time and date on which the Meeting is reconvened. **If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.**

The persons named in the enclosed form of proxy (the “**Management Designees**”) are members of the Corporation’s management and Board. **Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for him or her and on his or her behalf at the Meeting.** To exercise such right, the names of the Management Designees should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided. **The instrument appointing the proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.**

DATED at Calgary, Alberta, October 30, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

By: 

President and Chief Executive Officer

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting, which is to be held on December 5, 2018, at the times and places and for the purposes set forth in the Notice of Meeting. The cost of the solicitation of proxies by the Corporation in connection with the Meeting has been and will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, or by other means of communication or by the directors, officers and employees of the Corporation, who will not be remunerated for this service.

Voting of Proxies and Appointment of Proxyholder

The form of proxy accompanying this Circular confers discretionary authority upon the Management Designees with respect to any amendments or variations to matters identified in the Notice of Meeting or any other matters which may properly come before the Meeting. On any ballot or poll, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be voted on. **If a choice is not so specified, or if both choices are specified, with respect to any such matter, the Common Shares represented by a proxy given to management will be voted in favour of the resolutions referred to therein, for approval and adoption of each of the resolutions to be considered at the Meeting. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated. The form of proxy for the Corporation must be delivered by mail to Odyssey Trust Company, Proxy Tabulation Department, 350, 300 – 5th Avenue S.W., Calgary, Alberta, T2P 3C4 no later than 9:00 am (Calgary time) on December 3, 2018, or if the Meeting is adjourned, by no later than 48 hours prior to the time and date on which the Meeting is reconvened.**

If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder’s nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. **At the date of this Circular, the Board knows of no such amendments or variations or other matters to come before the Meeting.**

Revocability of Proxy

A Shareholder has the right to revoke a proxy at any time before it is exercised. A proxy may be revoked by a written revocation signed by the Shareholder or the Shareholder’s authorized attorney or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment of the Meeting at which the proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any Adjournment thereof. A proxy may also be revoked in any other manner provided by law.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold Common Shares in their own name.

Only proxies deposited by shareholders whose names appear on our records as the registered holders of Common Shares (defined herein as “**Registered Shareholders**”) can be recognized and acted upon at the Meeting. Shareholders who do not hold their Common Shares in their own name (defined herein as “**Beneficial Shareholders**”) are advised that only proxies from Registered Shareholders of record or duly appointed proxyholders can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as a Registered Shareholder.

If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. Common Shares held by your broker or their nominee can only be voted (for

or against resolutions) upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedure and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc., which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge Financials Solutions Inc., it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the shares voted.**

If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the Registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your broker (or broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

In relation to the meeting, the Corporation's Registered Holders will receive a paper copy of the notice of meeting, this Circular dated October 30, 2018 and a form of proxy (the "proxy-related materials), as well as a copy of our audited financial statements and related management's discussion and analysis. The proxy-related materials are being sent to both Registered Holders and non-registered owners of Common Shares. The Corporation is sending the proxy-related materials indirectly to non-objecting beneficial owners under National Instrument 54-101 ("NI 54-101"). The Corporation is not relying on the notice-and-access provisions of NI 54-101. The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners the proxy-related materials under NI 54-101 and Form 54-101F7 - Request for Voting Instructions Made by Intermediary.

Furthermore, a paper copy of our financial statements and related management's discussion in respect of our most recent financial year will be mailed to those Beneficial Shareholders who have previously requested to receive paper copies of our financial information.

RECORD DATE, VOTING COMMON SHARES AND PRINCIPAL HOLDERS

The record date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting was fixed by the Board as October 30, 2018 (the "Record Date"). As at the Record Date, there were 113,582,673 Common Shares outstanding and entitled to be voted at the Meeting and each Common Share is entitled to one vote.

To the knowledge of the Board, as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Common Shares, other than as set forth below.

<u>Name</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Endurance Lift Holdings (formerly Synergy Energy Holdings, LLC)	Direct	14,583,333	12.84%

Notes:

- (1) Endurance Lift Solutions as well as the private equity owners of Endurance Lift Holdings (formerly Synergy Energy Holdings), Crestview Partners and B29 Investments LP, may be considered joint actors in respect of this investment.

BUSINESS TO BE ACTED UPON AT THE MEETING

Receipt of Financial Statements

The Corporation's audited annual financial statements for the year ended December 31, 2017, and the auditors' report thereon will have been sent to all registered Shareholders prior to the Meeting, and are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the Board.

Election of Directors

At the meeting it is proposed that six directors be elected to serve until the next annual general meeting or until their successors are elected or appointed in accordance with the *Business Corporations Act* (Alberta) and the Bylaws of the Corporation. There are presently six directors of the Corporation.

The six individuals proposed to be nominated for election as a director of the Corporation are:

Dell Chapman, Thomas Kehoe, Eric Laing, Dan Newman, Warren Steckley and Ken Zinger.

In the absence of contrary instructions, the Management Designees intend to vote the Common Shares represented thereby in favour of electing each of the nominees named above as directors of the Board.

See "Election of Board of Directors" for additional information. The Board does not contemplate that any of such nominees will be unable to serve as directors.

Appointment of Auditor

The Board proposes to appoint Ernst & Young LLP, as the auditor of the Corporation. Ernst & Young LLP has served as the auditor of the Corporation since November 1, 2012.

In the absence of contrary directions, the Management Designees intend to vote the Common Shares represented thereby in favour of the ordinary resolution appointing Ernst & Young LLP as auditor of the Corporation and authorizing the directors to fix their remuneration.

Amended and Restated Stock Option Plan

The Corporation currently has a 20% "fixed" stock option plan (the "**Fixed Plan**") in place, as previously approved by its shareholders on October 19, 2012, which the Corporation proposes to amend and restate in the form attached hereto as Schedule "A" to this Circular ("**Amended and Restated Plan**").

The Corporation received conditional approval from the TSX Venture Exchange ("**TSXV**") for the Amended and Restated Plan on November 5, 2018.

Below is a summary of the amendments proposed and material terms of the Amended and Restated Plan, all of which are qualified in its entirety by the full text of the Amended and Restated Plan, a copy of which is attached as Schedule "A" to this Circular.

Amendment to Change the Stock Option Plan from a "Fixed Number" Plan to a "Rolling Plan"

The Corporation currently is permitted to issue up to 10,600,000 Common Shares under the Fixed Plan. As of the date of this Circular, an aggregate of 1,273,333 Common Shares remained available for future grants under the Fixed Plan, representing 1% of the issued and outstanding Common Shares.

Under the proposed Amended and Restated Plan, the Corporation seeks shareholder approval to change the Fixed Plan to a 10% "rolling" stock option plan, whereby the Corporation will be authorized to grant stock options up to 10% of its issued and outstanding shares, from time to time. As a result, should the Corporation issue additional Common Shares in the future, the number of Common Shares issuable under the Amended and Restated Plan will increase accordingly. The Board believes that the change to a "rolling plan" will permit the Corporation to continue to use, with increased flexibility, stock options as an incentive for directors, officers, employees and consultants of the Corporation. If the Amended and Restated Plan is approved, and assuming the Corporation does not issue any additional Common

Shares, the aggregate number of Common Shares authorized for issuance under the Amended and Restated Plan as of the date of this Circular will be 11,358,267, representing approximately 10% of the issued and outstanding Common Shares, of which an aggregate of 4,511,601 Common Shares (representing approximately 4% of the issued and outstanding Common Shares) will be available for future grants under the Amended and Restated Plan.

In accordance with the rules and policies of the TSXV, every year after institution, all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must obtain approval from both a majority of an issuer's board of directors and a majority of the issuer's securityholders. If approved by the Corporation's shareholders, the Amended and Restated Plan must be re-approved on an annual basis.

Amendment to include Change of Control Adjustment Provisions

Under the proposed Amended and Restated Plan, the Corporation shall have the power in the event of any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or any change in control of the Corporation, to make such arrangements as it shall deem appropriate for the exercise of outstanding options or continuance of outstanding options.

Amendment to include Housekeeping Changes

The Corporation is proposing, subject to the approval of shareholders, to make several changes to the Corporation's stock option plan of a "housekeeping" nature. These changes relate to the addition and amendment of certain definitions to the Amended and Restated Plan, conforming changes of certain provisions based on TSXV policies and non-material changes to sections such as participation, prior stock option plans and change of effective date as set forth in the copy of the Amended and Restated Plan attached hereto as Schedule "A" to the Circular.

Material Terms of the Amended and Restated Plan

The purpose of the proposed Amended and Restated Plan is to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire common shares in the share capital of Corporation, thereby increasing their proprietary interest in the Corporation and 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.

The Amended and Restated Plan will set the number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis, and such number shall increase or decrease as the number of issued and outstanding Common Shares changes.

Each stock option granted by the Corporation prior to the date of the approval of the Amended and Restated Plan by the shareholders of the Corporation, including stock options granted under previously approved stock option plans of the Corporation, such as the Fixed Plan, will be continued under the Amended and Restated Plan and shall be subject to the terms of the Amended and Restated Plan after it has been approved by the shareholders of the Corporation.

The Amended and Restated Plan will provide that the terms of the stock options and the stock option exercise price may be fixed by the Board, subject to the price restrictions and other requirements of the TSXV. 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 Common Shares to be subject to each option. Only 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 shall be eligible for selection to participate in the Amended and Restated Plan.

The Amended and Restated Plan is subject to the additional following restrictions:

- a) the exercise period of any stock option granted will not be for a period greater than ten years and the exercise price must be paid in full upon exercise of the stock option;

- b) if any stock option expires or terminates for any reason without having been exercised in full, the number of common shares in respect of which the stock option expired or terminated shall again be available for the purposes of the Amended and Restated Plan;
- c) the number of Common Shares subject to an option granted to any one Optionee shall be determined by the Board, but no one person shall be granted an option which exceeds the maximum number permitted by the TSXV including the aggregate number of Common Shares reserved for issuance during any 12-month period can be no greater than 5% to any one person and no greater than 2% to any one consultant or person performing investor relations activities on behalf of the Corporation;
- d) in the event of the death of any stock option holder, any vested option held by him or her at the date of death will become exercisable by the person or persons to whom the Optionee's rights under the stock option shall pass by the Optionee's will or the laws of descent and distribution until the earlier of one year after the date of death and the date of expiration of the term otherwise applicable to such option;
- e) if the stock option holder ceases to be a director, officer, consultant or employee of the Corporation other than be reason of death, the stock options granted will expire on the 90th day following the date the stock option holders ceases to be affiliated with the Corporation, subject to any regulatory requirements;
- f) stock options granted under the Amended and Restated Plan shall not be assignable or transferable by any option holder; and
- g) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Amended and Restated Plan with respect to all Common Shares under the Amended and Restated Plan in respect of options which have not yet been granted under the Amended and Restated Plan, subject to regulatory approval.

A four month hold period commencing on the date the stock options are granted is required for options granted to insiders of the Corporation or granted at any discount to the Market Price (as defined in TSXV Policy 1.1). Notice of options granted under the Amended and Restated Plan must be provided to the TSXV at the end of each calendar month in which stock options are granted. Any amendments to the Amended and Restated Plan must be approved by the TSXV and, if necessary, by the shareholders of the Corporation prior to becoming effective.

Amended and Restated Stock Option Plan Resolution

The shareholders will be asked to consider, and if thought fit, to approve with or without variation, the following ordinary resolution to approve the Amended and Restated Plan:

1. the Amended and Restated Stock Option Plan of the Corporation, in the form attached as Schedule A of this Management Information Circular dated October 30, 2018 (the "**Plan**"), which, among other things, provides that a maximum of 10% of the Corporation's issued and outstanding common shares of the Corporation at any time are reserved for issuance upon the exercise of stock options be and is hereby authorized, approved, ratified and confirmed;
2. the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval from the shareholders of the Corporation;
3. all issued and outstanding stock options previously granted under the stock option plan approved by shareholders October 19, 2012 are hereby continued under and governed by the Plan;
4. all unallocated entitlements under the Plan are hereby approved and authorized and the Corporation shall have the ability to grant options under the Plan until December 5, 2019;
4. any officer or director of the Corporation be and is hereby authorized to execute all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the Plan as herein contemplated and the Board of Directors from time to time is authorized to grant options in the capital stock of the Corporation pursuant to and in accordance with the Plan; and
5. the Corporation is authorized to reserve and issue Common Shares in the capital of the Corporation for issuance upon exercise of stock options granted pursuant to the Plan."

In the absence of contrary directions, the Management Designees intend to vote the Common Shares represented thereby in favour of replacing the Corporation's current 20% fixed stock option plan with a 10% rolling stock option plan.

Other Business

The Corporation's management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the Management Designees to vote the same in accordance with their best judgment in such matters.

ELECTION OF BOARD OF DIRECTORS

The following table sets forth the name of the six persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by them, their jurisdiction of residence, principal occupation at the present, the period during which they have served on the Board, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

Name and Jurisdiction of Residence	Principal Occupation	Office Held and Date Appointed	Voting Shares Beneficially Owned or over which Control or Direction is Exercised
Dell Chapman ⁽¹⁾⁽²⁾ Alberta, Canada	Independent businessman since July 2013 and prior thereto, was the Senior Vice President and Chief Financial Officer of Equal Energy Ltd, a TSX-listed company. Mr. Chapman was a Chartered Accountant for over 30 years and is a Chartered Financial Analyst.	Director (September 26, 2011)	831,600 [<1%]
Thomas Kehoe Ontario, Canada	Independent businessman since April 2016 and prior thereto, spent twenty-five years in Investment Banking, most recently as Director, Institutional Trading for GMP Securities. Mr. Kehoe is a Chartered Financial Analyst.	Director (August 27, 2018)	831,940 [<1%]
Eric Laing ⁽³⁾ Alberta, Canada	President and Chief Executive Officer of the Corporation since July 2011 and prior thereto was the President and Vice President of Stellarton Technologies Inc. since 2006.	Director (June 12, 2013)	502,431 [<1%]
Dan Newman Oklahoma, USA	Chief Executive Officer of Endurance Lift Holdings, a privately held group of companies focused on the upstream oil & gas sector and prior thereto was the President of Dover Corporation's artificial lift business.	Director Nominee	Nil ⁽⁴⁾
Warren Steckley ⁽¹⁾ Alberta, Canada	Independent businessman since 2013 and prior thereto, was the President, Chief Operating Officer and a Director of Barnwell of Canada, Limited, a subsidiary of Barnwell Industries Inc., a public company listed on the American Stock Exchange. Director of Eagle Energy Inc. and previous Director of Twin Butte Energy Ltd., both TSX listed companies.	Director (November 22, 2017)	10,000 [<1%]
Ken Zinger Alberta, Canada	Chief Operating Officer of Canadian Energy Services & Technology Corporation, a TSX and OTCQX listed company.	Director (October 19, 2012)	2,816,601 [2.5%]

Notes:

- (1) Member of the Audit Committee. A current member of the Audit Committee (“AC”), Dr. Sherry Austin, is not standing for re-election to the Board, thus the composition of the AC will be re-evaluated by the Board subsequent to the Meeting.
- (2) Member of the Corporate Governance, Compensation and Nomination Committee (“CGCNC”). A current member of the CGCNC, Dr. Sherry Austin is not standing for re-election to the Board, thus the composition of the CGCNC will be re-evaluated by the Board subsequent to the Meeting.
- (3) Member of the Health, Safety and Environment Committee (“HSEC”). The composition of the HSEC will be re-evaluated by the Board subsequent to the Meeting.
- (4) Mr. Newman is the CEO of Endurance Lift Holdings, which owns 14,583,333 common shares (12.84%) of the Corporation.

Corporate Cease Trade Orders or Bankruptcies

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any entity, including the Corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the entity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

Except as described below, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any entity, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Steckley was a director of Twin Butte Energy Ltd. (“Twin Butte”) from March 20, 2009 until September 1, 2016. On application of Twin Butte’s lenders, a receiver was appointed over all of Twin Butte’s assets, undertakings and properties pursuant to an order of the Court of Queen’s Bench of Alberta under the *Bankruptcy and Insolvency Act* (Canada) granted on September 1, 2016. On January 18, 2017, the Court of Queen’s Bench of Alberta granted an order approving a sale transaction of all of Twin Butte’s oil and gas assets to a third party. On March 30, 2017, Twin Butte’s operational assets were sold to West Lake Energy Corp.

Penalties or Sanctions

None of those persons who are proposed directors of the Corporation (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

No proposed director of the Corporation, or a personal holding company of any such person has, within the past ten years, become 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 the assets of such person.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* and provides details of all compensation for each of the Named Executive Officers (the “NEO’s”) as defined in Form 51-102F6V, and members of the Board of Directors (the “Directors”) of the Company for the years ended December 31, 2017 and 2016.

During the year ended December 31, 2017, the NEO’s of the Company were Mr. Eric Laing, President & Chief Executive Officer and Ms. Susan Scullion, Chief Financial Officer & Corporate Secretary. The Directors of the Company were Dr. Sherry Austin, Mr. Dell Chapman, Mr. Marvin Clifton, Mr. John Grisdale, Mr. Rod Graham, Mr. Eric Laing, Mr. Warren Steckley and Mr. Ken Zinger. Mr. Clifton and Mr. Graham did not stand for re-election as Directors of the Company at the Company’s last Annual General Meeting on October 18, 2017.

Compensation Oversight and Description

Overview

The Corporation has a corporate governance, compensation and nomination committee (the “**Compensation Committee**”), comprised solely of independent directors, that is responsible for setting the overall compensation strategy of the Corporation and evaluating and making recommendations to the Board for the compensation of directors and senior officers on an annual basis.

In developing the compensation strategy, the Compensation Committee considers the stage of development of the Corporation, the small number of executive officers, the external market for similar positions and the financial performance of the Corporation. These factors influence both the elements of compensation and the sophistication of the manner of their determination. In addition, the Corporation relies on the flexibility of the executive officers in relation to their receipt of compensation.

No significant events occurred, or compensation policies changed during the Corporation’s most recently completed financial year that have had a significant effect on the Director or NEO compensation.

Objectives of Compensation Program

It is the objective of the Corporation’s compensation program to attract and retain highly qualified executives and to link incentive compensation to personal and corporate performance and enhancing shareholder value. In evaluating the annual performance of the executive officers, the Compensation Committee considers quantitative objectives including relative shareholder value as well as qualitative aspects of the individual’s performance and achievements. However, total annual compensation for each NEO is not tied to certain performance criteria or goals of the Corporation.

Role of the Executive Officers in the Compensation Process

The Compensation Committee will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and programs for the Corporation and the salary and benefit levels of executive officers.

Risks of Compensation Program

The Compensation Committee has considered the implications of the risks associated with the Corporation’s compensation policies and practices and it has a significant role in this risk oversight through regular discussions with the Corporation’s President and Chief Executive Officer. An identified risk is the ability of the Corporation to attract and retain qualified executives and employee’s given the current development stage status of the Corporation requiring it to offer below-market salaries and bonuses to these individuals.

Elements of the NEO Compensation Program

The Corporation’s compensation comprises: (i) base salary and benefits, (ii) a discretionary incentive bonus plan and (iii) incentive stock options under a fixed stock option plan. Each component of the executive compensation program is addressed below.

Base Salaries and Benefits

Salaries for each of the executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries for the executive officers are not determined based on a specific formula or comparison with a peer group. The Compensation Committee submits its recommendation to the Board as to the salary of the President and Chief Executive Officer. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the President and Chief Executive officer for the other executive officers of the Corporation. Base salaries are established to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits as determined by the Compensation Committee that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not provide any pension or retirement benefits to its executive officers.

Incentive Bonus Plan

To relate the compensation of the senior executive officers of the Corporation to the performance of the Corporation, the Board, on the recommendation of the Compensation Committee, adopted a senior executive bonus plan (the “**Bonus Plan**”) pursuant to which a discretionary incentive bonus is provided from time to time. Special bonuses may be provided related to significant projects.

The Board, through the Compensation Committee, will review the Bonus Plan on an annual basis at the time of approving the annual budget. The Board, through its Compensation Committee, has the authority to make any changes to the Bonus Plan at any time to consider any extenuating circumstances or to correct any inequities which may have not been foreseen at the time the Bonus Plan was established or at any annual review. The last bonus payments under the Bonus Plan were those related to the 2013 fiscal period.

Stock Option Plan

The Compensation Committee is responsible for making recommendations to the Board regarding the administration of and the awarding of options under the Corporation’s stock option plan (“**Option Plan**”). The shareholders approved a fixed Option Plan on October 19, 2012, which provides 10,600,000 of the issued and outstanding Common Shares to be reserved for issuance to directors, officers, employees and consultants of the Corporation on the exercise of options granted under the Option Plan. The Compensation Committee determines the number of options to be granted to each executive officer based on the level of responsibility and experience in the position.

The Compensation Committee regularly reviews and where appropriate adjusts the number of options granted to individuals and determines the vesting provisions of such options. The maximum term of options granted may not exceed ten years. The vesting terms vary by grant with one-third released at each of three specified dates during the vesting period, not exceeding three years from the date of grant.

The Compensation Committee sets the number of options as appropriate to attract and retain qualified and talented employees. The Compensation Committee also takes account of the Corporation’s contractual obligations and the award history for all participants in the Option Plan. The Option Plan is designed to provide a long-term incentive to officer and employees that is linked to shareholder value. Executive officers and directors of the Board are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the officer or director.

Director and Named Executive Officer Compensation

The following table provides a summary of compensation, excluding compensation securities, earned in respect of the Corporation’s two most recently completed financial years by the Chief Executive Officer and the Chief Financial Officer (the NEO’s of the Company as defined in Form 51-102F6V) who served as executive officers of the Corporation during the year ended December 31, 2017. There were no other executive officers of the Corporation at the end of the most recently completed financial year whose total compensation (excluding compensation securities) exceeded \$150,000 per year.

Name and Position	Year	Salary (\$)	Value of Perquisites⁽²⁾ (\$)	Total Compensation (\$)
Eric Laing President, Chief Executive Officer and Director ⁽¹⁾	2017	150,000	10,800	160,800
	2016	150,000	10,800	160,800
Susan Scullion Chief Financial Officer and Corporate Secretary	2017	140,000	9,600	149,600
	2016	140,000	9,600	149,600

Notes:

- (1) All compensation earned by Mr. Laing was received in his position of President and CEO only.
- (2) Consists of vehicle allowances.

No compensation (excluding compensation securities) was earned by the Directors during the Corporation's two most recently completed financial years.

Director and Named Executive Officer Stock Option and Other Compensation Securities

The following table provides a summary of all compensation securities granted to the Directors and NEO's of the Corporation during the year ended December 31, 2017.

Compensation Securities							
Name & Position	Type of Compensation Security	Number of compensation securities, underlying securities ⁽¹⁾ and % of class ⁽²⁾	Date of issue or grant	Issue, conversion or exercise price ⁽³⁾ (\$)	Closing price on date of issue (\$)	Closing price at Dec 31, 2017 (\$)	Expiry date
Eric Laing President, CEO & Director ⁽⁴⁾	Stock options	150,000 ⁽¹³⁾ – 2.2%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		526,250 ⁽¹⁵⁾ – 7.7%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Susan Scullion CFO & Corporate Secretary ⁽⁵⁾	Stock options	300,000 ⁽¹³⁾ – 4.4%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		350,000 ⁽¹⁶⁾ – 5.1%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Sherry Austin Director ⁽⁶⁾	Stock options	50,000 ⁽¹³⁾ – 0.7%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		125,000 ⁽¹⁴⁾ – 1.8%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Dell Chapman Director ⁽⁷⁾	Stock options	50,000 ⁽¹³⁾ – 0.7%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		100,000 ⁽¹⁴⁾ – 1.5%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Marvin Clifton Director ⁽⁸⁾	Stock option	50,000 ⁽¹³⁾ – 0.7%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
Rod Graham Director ⁽⁹⁾	Stock option	150,000 ⁽¹³⁾ – 2.2%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
John Grisdale Director ⁽¹⁰⁾	Stock option	150,000 ⁽¹³⁾ – 2.2%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Warren Steckley Director ⁽¹¹⁾	Stock option	150,000 ⁽¹³⁾ – 2.2%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022
Ken Zinger Director ⁽¹²⁾	Stock options	150,000 ⁽¹³⁾ – 2.2%	May 29, 2017	0.205	0.230	0.45	May 29, 2022
		150,000 ⁽¹⁴⁾ – 2.2%	Nov 24, 2017	0.240	0.225	0.45	Nov 24, 2022

Notes:

- (1) Each stock option is exercisable into one common share of the Company.
- (2) Percentage of class is based on 6,865,000 stock options outstanding as at December 31, 2017.
- (3) The exercise price is equal to the last closing price before the market closed on the day of issue, thus reflects the market closing price for the day prior to issuance.
- (4) At December 31, 2017, Mr. Laing held a total of 2,000,000 stock options. The expiry date of 1,223,750 of these stock options issued to Mr. Laing on August 24, 2012 was extended on January 23, 2017 from the original expiry date of August 23, 2017 to January 23, 2022 to allow Mr. Laing additional time to exercise these options.
- (5) At December 31, 2017, Ms. Scullion held a total of 1,430,000 stock options.
- (6) At December 31, 2017, Dr. Austin held a total of 175,000 stock options.
- (7) At December 31, 2017, Mr. Chapman held a total of 150,000 stock options.
- (8) Mr. Clifton did not stand for re-election at the Company's shareholder meeting on October 18, 2017. At such date, Mr. Clifton held a total of 150,000 stock options.
- (9) Mr. Graham did not stand for re-election at the Company's shareholder meeting on October 18, 2017. At such date, Mr. Graham held a total of 400,000 stock options.
- (10) At December 31, 2017, Mr. Grisdale held a total of 150,000 stock options. Mr. Grisdale resigned from the Board on July 9, 2018.
- (11) At December 31, 2017, Mr. Steckley held a total of 150,000 stock options.
- (12) At December 31, 2017, Mr. Zinger held a total of 400,000 stock options.
- (13) One-third of these stock options vest annually over 36 months from the date of grant.
- (14) One-third of these stock options vest immediately and the remaining annually over 24 months from the date of the grant.
- (15) One-third of these stock options vest immediately, one-third on December 31, 2017 and one-third on December 31, 2018.
- (16) One-third of these stock options vest immediately, one-third on May 24, 2018 and one-third on December 31, 2018.

Exercise of Compensation Securities by Directors and NEO's

The following table provides a summary of all compensation securities that were exercised by the Directors and NEO's of the Corporation during the year ended December 31, 2017.

Exercise of Compensation Securities by Directors and NEO's							
Name & Position	Type of Compensation Security	Number of underlying securities exercised	Exercise price (\$)	Date of exercise	Closing price on date of exercise (\$)	Difference between ex-price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Eric Laing President, CEO & Director	Stock option	180,000	0.14	Feb 7, 2017	0.24	0.10	18,000
Sherry Austin Director	Stock option	75,000	0.14	Jan 9, 2017	0.23	0.09	6,750
Dell Chapman Director	Stock option	150,000	0.14	Feb 3, 2017	0.25	0.11	16,500
Marvin Clifton ⁽¹⁾ Director	Stock option	150,000	0.14	Jan 20, 2017	0.24	0.10	15,000

Notes:

(1) Mr. Clifton did not stand for re-election at the Company's shareholder meeting on October 18, 2017.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than as set forth below, the Corporation has no contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a NEO's responsibilities.

Pursuant to an employment agreement (the "**Employment Agreement**") between Mr. Eric Laing and the Corporation dated June 17, 2011, the Corporation agreed to engage Mr. Laing upon the following terms and conditions:

- (a) Mr. Laing was appointed as President of the Corporation;
- (b) the annual compensation was initially set at \$150,000, subject to review by the board of directors on a periodic basis, and Mr. Laing is eligible, under certain circumstances, to bonuses and stock options;
- (c) Mr. Laing will be reimbursed for reasonable expenses incurred in connection with his employment, including those incurred while traveling on business on the Corporation's behalf;
- (d) after the end of his employment, Mr. Laing is subject to a number of conditions owing to non-competition, non-solicitation and confidentiality provisions; and
- (e) Mr. Laing is entitled to receive a \$300,000 termination payment in the event that he is terminated or constructively dismissed without cause or he resigns his position as a result of the following:
 - (i) there is a change of control event as defined by the Employment Agreement that was not supported by Mr. Laing; or
 - (ii) there is a material breach of the Employment Agreement by the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at December 31, 2017.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by Shareholders	6,865,000	\$0.32	1,255,000
Equity compensation plans not approved by Shareholders	-	-	-
Total	6,865,000	\$0.32	1,255,000

Notes:

- (1) The shareholders approved the Option Plan on October 19, 2012, which provides that 10,600,000 of the issued and outstanding Common Shares are to be reserved for issuance on the exercise of options granted pursuant to the Option Plan to directors, officers, employees and consultants of the Corporation.
- (2) As of December 31, 2017, the options exercised under this Option Plan amounted to 2,480,000.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Corporation or its subsidiaries, or any associate or affiliate of the foregoing, has been indebted to the Corporation at any time during the most recently completed financial year, nor have any of the persons described in the preceding sentence have, since the beginning of the most recently completed financial year, been indebted to another entity to which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

For the purposes of the above, a support agreement includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

AUDIT COMMITTEE

The function of the audit committee of the Corporation (the "Audit Committee") is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditors.

1. **The Audit Committee's Charter**

Attached as Schedule "B".

2. **Relevant Education and Experience**

See section below under "Compensation of Audit Committee".

3. **Reliance on Certain Exemptions**

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

4. **Composition of the Audit Committee**

The Audit Committee is currently composed of Dell Chapman (Chairman), Warren Steckley and Sherry Austin. All members are considered independent and have the ability to read, analyze and understand the complexities surrounding the preparation of financial statements pertinent to the Corporation. Dr. Austin is not standing for re-election to the Board, thus the composition of the Audit Committee will be re-evaluated by the Board subsequent to the Meeting.

All members have been involved in the financing, administration and operation of managing private and/or public companies and have been, either directly or indirectly, involved in the preparation of financial statements, dealing with auditors or as a member of an audit committee.

5. **Audit Committee Oversight**

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

6. **Pre-Approved Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee’s Charter under the heading “External Auditors”.

7. **External Auditor Service Fees (By Category)**

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

Financial Year Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
2017	\$71,000	-	\$11,168	\$5,268
2016	\$60,000	\$12,500	\$11,888	\$6,159

Note:

- (1) This amount relates to fees for quarterly reviews. No quarterly review was completed in 2017 compared to one in 2016.
- (2) This amount relates to fees for the preparation of the Corporation’s Scientific Research & Experimental Development (“SR&ED”) tax credit application, tax advice and income tax return preparation.
- (3) This amount relates to fees for administrative costs billed by the auditor of the Corporation.

8. **Exemption**

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

The Corporation is committed to implementing and maintaining effective and best practices in corporate governance. The Corporation’s approach to significant corporate governance issues has been, and continues to be, designed with a view to ensuring that the business of the Corporation is effectively managed to enhance shareholder value. The Corporation has implemented certain structures and procedures to ensure that effective corporate governance practices are followed and the Board functions independently of management. The Corporate Governance & Nomination Committee provides a focus on corporate governance to ensure, on behalf of all stakeholders, that the Corporation has an effective corporate governance regime in place.

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation’s required annual disclosure of its corporate governance practices in accordance with Form 58-101F2 - *Corporate Governance Disclosure*.

- 1. **Board of Directors** – Of the six individuals being nominated as directors at the Meeting, five are deemed to be independent according to the definition of “independence” set out in section 1.4 of NI 52-110, including Dell Chapman, Thomas Kehoe, Dan Newman, Warren Steckley, and Ken Zinger. Eric Laing, President and Chief Executive Officer of the Corporation, is not considered independent by virtue of his executive position.

The Board facilitates its exercise of independent supervision over management by having at least half of the Board members consist of individuals who are independent of the Corporation.

2. **Directorships** - Certain of the Corporation's directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Mr. Steckley serves as a director of Eagle Energy Inc., a TSX-listed company.

3. **Orientation and Continuing Education** - The Board ensures that all new directors receive a comprehensive orientation regarding both the business of the Corporation, the duties of a director and continuing education. The information is normally provided to directors in an informal meeting with senior management present. All directors are also provided with a Corporate Governance binder detailing Board and corporate governance guidelines and Board and committee mandates. Directors are also invited to meet with the Corporation's legal counsel in order to better understand what their legal responsibilities are.
4. **Ethical Business Conduct** - The Corporation has a formal written Code of Business Conduct and Ethics Policy covering ethical business conduct that applies to all Board members, executive officers, management, employees and consultants of the Corporation.
Each Board member is responsible to ensure his or her conduct is consistent with the letter and spirit of this Code. The Corporate Governance & Nomination Committee, on behalf of the Board of Directors, is responsible for setting the standards in the Code and updating these standards as deemed appropriate to reflect changes in the legal and regulatory environment, the business practices of the Corporation and the environment within which it operates. The Board has also established a Whistleblower Policy, which establishes the complaint procedures for concerns about any aspect of the Corporation's activities and operations. These policies assist in maintaining the ethical business conduct of the officers and directors.
5. **Nomination of Directors** – The Board and Corporate Governance & Nomination Committee periodically consider if and when new individuals are proposed for election or appointment to the Board, having regard to the competencies, skills and personal qualities of the candidates and existing members of the Board.
6. **Compensation** - The Compensation Committee is responsible for determining and approving compensation for directors and officers. The Compensation Committee reviews the performance and recommends the remuneration of the senior officers as well as the overall remuneration and personnel policies developed by management. The Board reviews and approves the compensation of directors annually, or sooner, if deemed appropriate. Additional information pertaining to compensation including the committee members can be found under the heading "*Compensation of Directors & Executive Officers*".
7. **Other Board Committees** – In addition to the Compensation Committee and the Audit Committee described above, the Board has implemented a Corporate Governance & Nomination Committee and a Health, Safety and Environment Committee.

Corporate Governance & Nomination Committee:

The current members of the Corporate Governance & Nomination Committee are Sherry Austin and Dell Chapman. Dr. Austin is not standing for re-election to the Board, thus the composition of this Committee will be re-evaluated by the Board subsequent to the Meeting.

The overall purpose of the Corporate Governance & Nomination Committee is to guide the Corporation in its approach to and implementation and maintenance of corporate governance practices. In that regard, it recommends to the Board the composition of the Board and its committees, assists the Board in developing the Board Mandate, assists the Board with respect to the orientation of new directors and continuing education of existing directors, oversees the performance of the Board and its committees, monitors developments in corporate governance and ensures the Corporation's compliance with the Code of Business Conduct and Ethics and governance policies.

Health, Safety and Environment Committee:

The current member of the Health, Safety and Environment Committee is Eric Laing. A previous member, John Grisdale resigned from the Board on July 9, 2018. The composition of this Committee will be re-evaluated by the Board subsequent to the Meeting.

The overall purpose of the Health, Safety and Environment Committee is to assist the Board in fulfilling its responsibilities in relation to health, safety and environmental matters, including ensuring that employees are

provided with a safe environment in which to perform their duties and monitoring and overseeing the Corporation's policies and procedures for ensuring compliance by the Corporation with environmental regulatory requirements.

8. **Assessments** - The Corporate Governance & Nomination Committee assists the Board with respect to assessments of the effectiveness and contribution of the members of the Board and its committees, which includes reviewing both the Board and its committees' decision-making processes and the quality of information provided by management.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, of any "informed person" of the Corporation, any proposed director of the Corporation or any associate or affiliate of any "informed person", in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

For the purposes of the above, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director, executive officer or trustee of a person or company that is itself an informed person; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

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

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who:

- (a) has acted as a director or executive officer of the Corporation or a subsidiary of the Corporation since the beginning of the Corporation's most recently completed financial year;
- (b) is a proposed nominee for election as a director of the Corporation; or
- (c) is an associate or affiliate of any of the persons listed directly above in (i) and (ii),

in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditor.

MANAGEMENT CONTRACTS

No management functions of the Corporation are, to any substantial degree, performed by a person or company other than the directors or executive officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Financial information available on SEDAR is provided in the Corporation's Annual Financial Statements and Management's Discussion and Analysis for the year ended December 31, 2017.

A Shareholder may contact the Corporation at 2620, 58th Avenue S.E. Calgary, Alberta, T2C 1G5, Attention: Susan Scullion, Chief Financial Officer, to obtain a copy of the Corporation's most recent Financial Statements and Management's Discussion and Analysis.

SCHEDULE A
AMENDED AND RESTATED STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of Raise Production Inc., a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**Corporation**") is to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire common shares in the share capital of Corporation, thereby increasing their proprietary interest in the Corporation and 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. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

"Black Out Period" means any period during which a policy of the Corporation prevents an Insider from trading in the Common Shares;

"Board" or **"Board of Directors"** means the Board of Directors of the Corporation;

"Common Shares" means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;

"Corporation" means Raise Production Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;

"Exchange" means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;

"Exchange Policies" means, collectively, Policy 4.4 of the Exchange entitled "Incentive Stock Options", Policy 1.1 of the Exchange entitled "Interpretation" and any other policies set forth in the Corporate Finance Manual of the Exchange applicable to incentive stock options;

"Option" means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;

"Option Period" means the period determined by the Board of Directors during which an Optionee may exercise an Option not to exceed the maximum period permitted by the Exchange, which maximum period is 10 years from the date the Option is granted;

"Optionee" or **"Participant"** means a person who is a director, officer, employee or consultant of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and

"Plan" shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Discounted Market Price", "Employee", "Insider", "Investor Relations Activities", "Management Company Employee", "Tier I Issuer" and "Tier 2 Issuer".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. 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 "). 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.

Each Option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including Options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

4. 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 on the Exchange.

5. Common Shares Subject to Plan

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis, and such number shall increase or decrease as the number of issued and outstanding Common Shares changes.

Appropriate adjustments shall be made as set forth in Section 17 hereof in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unexercised Common Shares subject thereto shall again be available for the purpose of the Plan.

No fractional shares may be purchased or issued hereunder.

6. Maintenance of Sufficient Capital

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

7. Eligibility

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**" or "**Optionee's**"). 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 Common 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. Pursuant to Exchange Policies, the Corporation shall represent that the Participant is a bona fide Employee, Consultant or Management Company Employee in respect of Options granted to such Participant.

8. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect a Participant's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Participant any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Participant or by the Participant ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Participant at the same time becomes or continues to be a director, officer or employee of or a consultant to the Corporation or any of its subsidiaries.

No Participant shall have any of the rights of a shareholder of the Corporation in respect of Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

9. Exercise Price

- (a) The exercise price of the Common 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 Discounted Market Price, as 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, subject to the policies of the Exchange, the exercise price of an Option may be reduced upon receipt of Board approval, provided that 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.

10. Number of Optioned Common Shares

- (a) Subject to Exchange policies, the aggregate number of Common Shares that may be issued pursuant to the exercise of Options awarded under the Plan in any 12 month period and determined at the date of the grant is subject to the following limitations:
 - i) the aggregate number of Common Shares reserved for issuance to any one person under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis);
 - ii) in the aggregate, no more than 2% of the issued and outstanding Common Shares may be granted to any one consultant of the Corporation (or any of its subsidiaries);
 - iii) in the aggregate, no more than 2% of the issued and outstanding Common Shares may be granted to persons employed to provide Investor Relations 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; and

- iv) the number of Common Shares subject to an Option granted to any one 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.

11. 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 13 and 14, provided that in no circumstances shall the duration of an Option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX or on the TSX Venture Exchange Inc., the maximum term may not exceed 10 years.

Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, subject to the maximum term of 10 years, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

12. 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 13 and 14 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 13 and 14, 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 Common 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 Common 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 Common Shares issuable pursuant to Options under the Plan are issued to him or them under the terms of the Plan.

13. Ceasing To Be a Director, Officer, Consultant or Employee

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 as a result of having been dismissed from any such position for cause, all unexercised Option rights of that Participant under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the Option granted to such Participant under the Plan. If "cause" is defined in an employment agreement between such Participant and the Corporation, the meaning of "cause" shall be as provided for in such employment agreement. If "cause" is not so defined, then "cause" shall mean a circumstance that would entitle the Corporation to terminate the employment or service agreement of such Participant at law, without notice or compensation, as a result of such termination.

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 as a result of having been dismissed for cause or as a result of the Participant's death, such Participant shall have the right to exercise any granted Options under the Plan with respect to all optioned Common Shares of such Participant to the extent they were exercisable on the date of ceasing to be either a director, officer, consultant, employee of the Corporation, or its subsidiaries, or Management Corporation Employee, for ninety (90) days following cessation of such position. Upon the expiration of such term all unexercised option rights of that Participant shall immediately become terminated and shall lapse.

Except as determined by the Board, all Options will cease to vest as at the date upon which the Participant ceases to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, which, in the case of an employee or consultant of the Corporation or its subsidiaries and affiliates, shall be the date on which active employment or engagement, as applicable, with the Corporation or its subsidiaries and affiliates, terminates, specifically without regard to any period of reasonable notice or any salary continuance.

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.

14. Death of Participant

Notwithstanding section 13, in the event of the death of a Participant, the Option previously granted to him shall be exercisable only 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.

15. Proceeds from Sale of Common Shares

The proceeds from the sale of Common 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.

16. Takeover or Change of Control

The Corporation shall have the power, in the event of:

- a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any stock option agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

17. 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, or any adjustment relating to the Common Shares optioned or issued on exercise of Options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted 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.

18. 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.

19. Prior Stock Option Plan

On the effective date (as defined in Section 23 hereof), subject to Exchange approval and, if required, shareholder approval:

- a) the Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- b) all outstanding Options shall be deemed to be granted pursuant to the Plan.

20. Costs

The Corporation shall pay all costs of administering the Plan.

21. Amendment and Termination of Plan

- a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any other regulatory authority having jurisdiction over the Corporation, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such other regulatory authority.
- b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section a) hereof, subject to the approval of the Exchange or any other regulatory authority having jurisdiction over the Corporation, and the approval of the shareholders of the Corporation if required by the Exchange or such other regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

22. Necessary Approvals

The ability of a Participant to exercise Options and the obligation of the Corporation to issue and deliver Common 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 Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation will be returned to the Participant.

23. Effective Date of Plan

This Plan shall become effective as of and from, and the effective date of the Plan shall be, the date of shareholder approval for the Plan, if such approval is required by the Exchange, subject to final Exchange approval for the Plan, or the date of final Exchange approval for the Plan if the Exchange does not require shareholder approval for the Plan.

24. Applicable Law

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

SCHEDULE B
AUDIT COMMITTEE CHARTER

Role of Audit Committee

The role of the Audit Committee is to assist the Board of Directors (the “Board”) of RAISE PRODUCTION INC (the “Corporation”) in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

Administrative Matters

The following general provisions shall have application to the Audit Committee:

- (a) Appointment of Committee Members and Chairman
 - (i) The Board shall, annually at their first meeting following each annual general meeting of shareholders of the Corporation, determine the number of members to serve on the Audit Committee, subject to the minimum size requirements contained herein, and shall elect the members of the Audit Committee from among their number to hold office until the close of the next annual general meeting.
 - (ii) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Board of the Corporation. A member of the Audit Committee shall automatically cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.
 - (iii) Unless otherwise designated by the Board, the members of the Audit Committee shall elect a Chairman from among their number and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the Audit Committee shall appoint one of their members to act as Chairman.
- (b) Composition and Qualifications of Audit Committee
 - (i) Size: The Audit Committee will consist of a minimum of three Directors.
 - (ii) Qualifications: Except as may be permitted by applicable securities laws, all members of the Audit Committee must be “independent” and “financially literate” within the meaning of Multilateral Instrument 52110 – Audit Committees and possess:
 - (A) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
 - (B) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
 - (C) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
 - (D) an understanding of disclosure controls and internal controls and procedures for financial reporting.
- (c) Meetings of the Committee and Attendees of Meetings
 - (i) Number of Meetings: The Committee will meet at least four times a year to coincide with each three month ended financial period and each fiscal year end and may hold a portion of each meeting without the presence of management.
 - (ii) Time and Place: The time at which and the place where the meetings of the Audit Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Audit Committee having regard to the bylaws of the Corporation.
 - (iii) Quorum: A quorum of the Audit Committee shall be the attendance of two (2) members thereof.
 - (iv) Notice: Notice of every meeting of the Audit Committee shall be given to all members, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), and to the external auditor of the Corporation.
 - (v) Minutes: Minutes shall be kept of all meetings of the Audit Committee.
 - (vi) Participation: A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all

persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

- (vii) **Written Resolution:** A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee.
 - (viii) **Request of External Auditor:** Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Board or the shareholders of the Corporation.
 - (ix) **Auditor Attendance:** The external auditor of the Corporation shall be requested to appear before the Audit Committee at all meetings where financial results are reviewed and at other times when deemed necessary by the Audit Committee.
 - (x) **Management Representatives Attendance:** The CEO and the CFO shall be invited to attend all Audit Committee meetings, except private committee sessions and private sessions with the external auditors.
 - (xi) **Invitees of Committee:** The Audit Committee may invite such other officers, directors and employees of the Corporation or its affiliates as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee.
 - (xii) **Independent Meetings:** Notwithstanding that other parties may attend meetings of the Audit Committee, the Audit Committee: (i) shall meet with the external auditor independent of management; and (ii) may meet separately with management.
 - (xiii) **Voting:** Each resolution or decision shall be determined by a majority of the votes cast.
 - (xiv) **Communication:** The Audit Committee shall provide a summary of all meetings to the Board together with the minutes, or an oral report if the minutes are not prepared.
- (d) **Authority of the Committee**
- (i) **Access:** The members of the Audit Committee shall, for the purpose of performing their duties, have the right of inspecting all the books and records of the Corporation and its affiliates and of discussing such books and records in any manner relating to the financial position of the Corporation with the officers, employees and external auditor of the Corporation and its affiliates.
 - (ii) **Independent Counsel:** The Audit Committee shall have the authority to engage independent counsel or other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

Mandate and Responsibilities

In carrying out its role, the Audit Committee has the following mandate and responsibilities:

- (a) **Financial Information and Reporting:**
 - (i) prior to public release, to review and discuss with management (including, but not limited to, the CEO and CFO) and the external auditor, as appropriate:
 - (A) the annual audited financial statements and the interim financial statements including the accompanying management's discussion and analysis, and to understand the basis for management's conclusions;
 - (B) the disclosures required in the Corporation's annual and interim management's discussion and analysis regarding internal control over financial reporting and disclosure controls and procedures; and
 - (C) any annual and interim earnings releases and other press releases containing guidance or information taken from the Corporation's financial statements;
 - (ii) to review the Corporation's financial reporting and accounting standards and principles and any proposed material changes to them or their application; and
 - (iii) prior to public release, to review and if appropriate, recommend to the Board for approval, all public disclosure documents containing audited or unaudited financial information, any prospectuses, information circulars, annual reports, annual information forms and management's discussion and analysis;
- (b) **Internal Control:**
 - (i) to require management to implement and maintain appropriate systems of internal control, including internal controls over financial reporting and for the prevention and detection of fraud and error;
 - (ii) to review the systems of internal control and meet with the CEO and CFO to assess the adequacy and effectiveness of these systems and to obtain on a regular basis reasonable assurance that the Corporation is in control; and

- (iii) to receive reports from the CEO and CFO as to the existence of any significant deficiency or material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting;
- (c) Disclosure Controls and Procedures:
- (i) to require management to implement and maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation, including controls and procedures designed to ensure the information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure;
 - (ii) to review the disclosure controls and procedures with the CEO and CFO to assess the adequacy and effectiveness of these controls and procedures; and
 - (iii) to receive reports from the Corporation's Disclosure Committee;
- (d) External Audit
- (i) to recommend to the Board, for shareholder approval, the appointment of the external auditor for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation;
 - (ii) to review, at least annually, the qualifications of external auditor;
 - (iii) to recommend to the Board the compensation of the external auditor;
 - (iv) to evaluate and oversee the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor;
 - (v) to enquire into and determine the appropriate resolution of any conflict of interest in respect of the external auditor;
 - (vi) to oversee the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (vii) to obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality control procedures, any material issues raised by the auditor's internal quality control reviews and the steps taken to resolve those issues; and
 - (viii) to monitor and review, at least annually, the relationship between the Corporation and the external auditor in order to establish the independence of the external auditor. If there is to be a change of external auditors, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period;
- (e) Risk Management: to review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks, including:
- (i) review of the Corporation's investment policy; and
 - (ii) review of the amount and terms of Corporate insurance policies to be obtained or maintained, except Directors & Officers ("D&O") insurance, with respect to risks inherent in its operations; and
- (f) Compliance
- (i) to review the Corporation's financial reporting procedures and policies to ensure compliance with all related legal and regulatory requirements and to investigate any non-adherence to those procedures and policies;
 - (ii) to review and understand the basis upon which the Corporation's CEO and CFO made their conclusions, included in the annual and interim management's discussion and analysis, regarding the Corporation's disclosure controls and procedures and internal controls over financial reporting, including any material weaknesses;
 - (iii) to receive a report from the Corporation's CEO and CFO and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting; and

- (iv) to establish procedures for the receipt, retention and treatment of any complaint regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

Specific Procedures

- (a) **Review of Audited Financial Statements:** The Audit Committee will review the Corporation's annual audited financial statements with the CEO and the CFO and then the full Board.
- (b) **Review of Interim Unaudited Financial Statements:** The Audit Committee will review the interim financial statements with the CEO and the CFO and may then review them with the full Board.
- (c) **Review of Releases and Presentations:** The Audit Committee will review any news release containing financial information, including information taken from the Corporation's financial statements, prior to the release of the financial statements to the public. In addition, the CFO may review with the Audit Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.
- (d) **Approval of Audit and Non-Audit Services:** In addition to recommending the external auditor to examine the Corporation's financial statements, the Committee must approve any use of that external auditor to provide non-audit services prior to its engagement. It is the Audit Committee's practice to restrict the non-audit services that may be provided by the external auditor in order to minimize relationships that could appear to impair the objectivity of the external auditor.
- (e) **Review and Approval of Hiring Policies:** The Audit Committee must review and approve the Corporation's hiring policies regarding the hiring of any partner, employee, and former partners and employees of the Corporation's existing and former external auditor. The Audit Committee should also consider the independence standards of the Canadian Institute of Chartered Accountants.
- (f) **Process for Handling Complaints about Accounting Matters:** The Audit Committee has established the following procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters:
 - (i) The Chief Financial Officer will send out a company-wide communication at least annually informing all RAISE employees of special mail and email addresses and telephone numbers for receiving complaints regarding accounting, internal accounting controls or auditing matters (Whistleblower Policy). This communication will specifically indicate that all communications to the Audit Committee will be kept confidential and no retaliation or adverse actions will be taken toward the employee for raising or helping to resolve a complaint with the Audit Committee.
 - (ii) Copies of complaints received will be sent to the Chair of the Committee and will be logged and retained by the Chair for a reasonable period of time.
 - (iii) All complaints will be investigated by the Corporation's finance staff, except as otherwise directed by Chair of the Committee. The Chair of the Committee may request that outside advisors be retained to investigate any complaint.
 - (iv) The status of each complaint will be reported by the Chair of the Committee on a quarterly basis to the full Audit Committee and, if the full Audit Committee so directs, to the full Board.
 - (v) Any director, officer or employee of the Corporation is prohibited from retaliating or taking any adverse action against anyone for raising or helping to resolve a complaint.
- (g) **Evaluation:** The Audit Committee will present to the Board an annual evaluation on the adequacy of this charter and recommend any proposed changes to the Board for approval.
- (h) **Report to Board:** The Audit Committee shall report to the Board on such matters and questions relating to the financial position of the Corporation or any of its affiliates as the Board may from time to time refer to the Audit Committee.