

# CANADA ENERGY PARTNERS INC.

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## INFORMATION CIRCULAR

(containing information as at October 16, 2018 unless otherwise noted)

### PERSONS MAKING THE SOLICITATION

**This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Canada Energy Partners Inc. (the “Corporation”) for use at the Annual and Special Meeting of the Corporation’s shareholders (the “Meeting”) to be held on Thursday, December 6, 2018 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.** While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation.

All costs of this solicitation will be borne by the Corporation.

### APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER’S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notorially certified copy of the power of attorney or other authority, must be delivered to Computershare Investor Services Inc., of 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation, at Suite 910, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### ADVICE TO BENEFICIAL SHAREHOLDERS

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are “non-registered” shareholders because the common shares of the Corporation they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their common shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting.**

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder’s name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast

majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee and custodian for many Canadian brokerage firms), and in the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the common shares registered in the name of CDS & Co. and Cede & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholders have waived their right to receive Meeting materials. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed in order to ensure that their common shares are voted at the Meeting. The voting instruction form supplied by intermediaries to Beneficial Shareholders is often identical to the form of proxy that is provided to registered shareholders. However, the purpose of the voting instruction form is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. Should a non-registered shareholder receiving such a voting instruction form wish to vote at the Meeting, the non-registered shareholder should strike out the names of the Management Proxyholders named in the voting instruction form and insert the name of the person designated by the non-registered shareholder in the blank provided and return the voting instruction form to the intermediary in accordance with the instructions contained in the form, well in advance of the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of the common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.** All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

Beneficial Shareholders fall into two categories – those who object to their names being made known to the issuers of securities which they own (called "OBOs" – for "*Objecting Beneficial Owners*") and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for "*Non-Objecting Beneficial Owners*"). In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

The Corporation is taking advantage of NI 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* which permits the Corporation to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form ("VIF") from the Corporation's transfer agent, Computershare. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile, or a NOBO has the option to submit their proxy vote either by telephone or via the internet in the manner described in the VIF. Computershare tabulates the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by those VIFs.

The Corporation's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Corporation will not pay for intermediaries to deliver the Notice of Meeting, Information Circular and VIF to OBOs, and OBOs will not receive the Meeting materials unless their intermediary assumes the cost of the delivery.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its transfer agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send this Information Circular to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering the Information Circular to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### EXERCISE OF DISCRETION

If the instructions in a proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the proxy and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

**Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the form of proxy.**

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Corporation has issued and outstanding 90,394,534 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. Any shareholder of record at the close of business on October 16, 2018 (the "Record Date") who either personally attends the Meeting or who has completed and delivered a proxy in the manner, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

The Articles of the Corporation provide that a quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Corporation, there are no persons who, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

### ELECTION OF DIRECTORS

The Board of Directors (the "Board") of the Corporation presently consists of five (5) directors and it is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year.

Pursuant to the Advance Notice Policy adopted by the Board on September 19, 2013, which was ratified and confirmed by shareholders at the annual and special meeting of shareholders held on October 25, 2013 and is filed on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com), any additional director nominations for the Meeting must have been received by the Corporation in compliance with the Advance Notice Policy on or before the close of business on October 12, 2018. No such nominees have been received.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next Annual General Meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or within the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the proposed nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations, or employments during the past five years if such nominee is not presently an elected director, the period of time each has been a director of the Corporation, and the number of common shares of the Corporation beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof:

<b>Name, Province or State, Country of Residence, Position(s) with Corporation<sup>(1)</sup></b>	<b>Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years<sup>(1)</sup></b>	<b>Date(s) Served as a Director</b>	<b>Common Shares Held<sup>(1)</sup></b>
<b>Benjamin Jones</b> Louisiana, USA <i>President, Chief Executive Officer and Director</i>	President of the Corporation since June 24, 2008; Chief Executive Officer of the Corporation since October 2, 2007, Vice President, Exploration of Triumph Pacific Oil and Gas Corporation from May 31, 2006 to October 1, 2007, President, Peace River Corporation from 1999 to 2001.	April 18, 2007	6,222,912
<b>John Proust</b> <sup>(2)</sup> British Columbia, Canada <i>Chairman, Director</i>	President of J. Proust & Associates Inc., a financial consulting company engaged in the business of corporate finance, debt equity finance, mergers and acquisitions, and takeover bids, from October 1986.	May 18, 2006	1,225,073
<b>Kyle Burnett</b> <sup>(2)(3)</sup> Texas, USA <i>Director</i>	Mr. Burnett has been actively involved in the oil and gas business since 1980. Mr. Burnett is Chairman of the Board, Chief Executive Officer, and President of Burnett Petroleum Company and Canadian Petroleum Investments. He is the Managing Trustee of Arcadia Operating LLC, and a board member of all the aforementioned companies as well as Arcadia Exploration and Production Company and Choctaw Capital, LLC.	May 18, 2006	5,799,090
<b>Jonathan Bahnuik</b> <sup>(2)(3)</sup> Alberta, Canada <i>Director</i>	Mr. Bahnuik is a lawyer and currently serves as the General Counsel and Corporate Secretary of Olympia Financial Group Inc. For the past 14 years, Mr. Bahnuik has provided legal advice to private and public companies engaged in various aspects of the oil & gas industry in western Canada.	July 22, 2013	1,010,685
<b>Winston Purifoy</b> <sup>(3)</sup> Texas, USA <i>Director</i>	Mr. Purifoy has over 25 years of experience in sourcing, structuring and managing Private Equity investments. Mr. Purifoy is a Founder/Managing Partner of Cibolo Capital Partners I, L.L.C and Chairman/Founder of Senderra RX. He has been instrumental in developing Senderra's corporate leadership, people and culture, and maintaining a vision that has led Senderra to becoming a national specialty pharmacy platform. Mr. Purifoy is responsible for developing the vision, strategy and leadership of the day-to-day operations of Senderra.	October 9, 2014	4,779,378

(1) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.

(2) Member of the Corporation's Audit Committee.

(3) Member of the Corporation's Compensation Committee.

Shareholders can vote for all of the proposed nominees for directors of the Corporation, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Corporation.**

Management does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

No proposed director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation), that:

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

No proposed director or executive officer of the Corporation:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any Corporation (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a director.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Director and Named Executive Officer Compensation**

In this section, “Named Executive Officer” means (a) the Corporation’s chief executive officer (the “CEO”), including an individual performing functions similar to a CEO, (b) the Corporation’s chief financial officer (the “CFO”), including an individual performing functions similar to a CFO, (c) the most highly compensated executive officer of the Corporation, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a Named Executive Officer under (c) but for the fact that the individual was not an executive officer of the Corporation and was not acting in a similar capacity, at the end of that financial year.

During the Corporation’s fiscal year ended April 30, 2018, the following individuals were the Named Executive Officers of the Corporation:

- Benjamin Jones, President and CEO
- Vincent Boon, CFO

**Director and Named Executive Officer Compensation, Excluding Compensation Securities**

**Table of Compensation Excluding Compensation Securities**

The following table provides a summary of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or a subsidiary of the Corporation to each Named Executive Officer and director of the Corporation during the fiscal years ended April 30, 2018 and April 30, 2017:

<b>Name and Position</b>	<b>Year</b>	<b>Salary, Consulting Fee, Retainer or Commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or Meeting Fees (\$)</b>	<b>Value of Perquisites (\$)</b>	<b>Value of all other Compensation (\$)</b>	<b>Total Compensation (\$)</b>
<b>BENJAMIN JONES</b> <i>President and CEO and Director</i>	2018	\$228,607	\$Nil	\$Nil	\$Nil	\$19,840	\$248,447 <sup>(1)</sup>
	2017	\$233,025	\$Nil	\$Nil	\$Nil	\$43,026	\$276,051 <sup>(2)</sup>
<b>VINCENT BOON</b> <sup>(3)</sup> <i>CFO</i>	2018	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
	2017	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
<b>JOHN PROUST</b> <i>Chairman and Director</i>	2018	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000	\$60,000 <sup>(4)</sup>
	2017	\$Nil	\$Nil	\$Nil	\$Nil	\$60,000	\$60,000 <sup>(4)</sup>
<b>KYLE BURNETT</b> <i>Texas, USA Director</i>	2018	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
	2017	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
<b>JONATHAN BAHNUIK</b> <i>Alberta, Canada Director</i>	2018	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
	2017	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
<b>WINSTON PURIFOY</b> <i>Texas, USA Director</i>	2018	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil
	2017	\$Nil	\$Nil	\$Nil	\$Nil	N/A	\$Nil

- (1) Of this amount, Mr. Jones received \$228,607 in his capacity as President and CEO of the Corporation, \$Nil in his capacity as a director, \$4,721 for administrative services and \$15,119 for rent for the Corporation’s office in Baton Rouge, Louisiana, which amounts were paid to Petra CBM Ventures Inc. (“Petra CBM”), a management company owned by Mr. Jones. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”. As at April 30, 2018, \$380,880 was owed to Mr. Jones.
- (2) Of this amount, Mr. Jones received \$233,025 in his capacity as President and CEO of the Corporation, \$Nil in his capacity as a director, \$27,128 for administrative services and \$15,898 for rent for the Corporation’s office in Baton Rouge, Louisiana, which amounts were paid to Petra CBM Ventures Inc. (“Petra CBM”), a management company owned by Mr. Jones. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”. As at April 30, 2017, \$210,880 was owed to Mr. Jones.
- (3) Mr. Boon is an independent consultant and was paid by J. Proust & Associates Inc. (“JPA”) under the Proust Agreement (as defined below) in connection with services provided to the Corporation by Mr. Boon as CFO. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.
- (4) These amounts were paid to JPA. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

## Stock Options and Other Compensation Securities

### Table of Compensation Securities

The following table discloses all compensation securities granted or issued to each director and Named Executive Officer by the Corporation or one of its subsidiaries during the fiscal year ended April 30, 2018 for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries:

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities <sup>(1)</sup> and Percentage of Class <sup>(2)</sup>	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
<b>BENJAMIN JONES</b> <sup>(3)</sup> <i>President and CEO and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>VINCENT BOON</b> <sup>(4)</sup> <i>CFO</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>JOHN PROUST</b> <sup>(5)</sup> <i>Chairman and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>KYLE BURNETT</b> <sup>(6)</sup> Texas, USA <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>JONATHAN BAHNUIK</b> <sup>(7)</sup> Alberta, Canada <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
<b>WINSTON PURIFOY</b> <sup>(8)</sup> Texas, USA <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

- (1) Each outstanding stock option of the Corporation entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Corporation.
- (2) This percentage is based on the number of all stock options outstanding as of the last day of the most recently completed financial year ended April 30, 2018.
- (3) As at April 30, 2018, Mr. Jones held 500,000 stock options of the Corporation (all fully vested) entitling him to acquire, upon exercise, 500,000 common shares in the capital of the Corporation.
- (4) As at April 30, 2018, Mr. Boon held no stock options of the Corporation.
- (5) As at April 30, 2018, Mr. Proust held 494,000 stock options of the Corporation (all fully vested) entitling him to acquire, upon exercise, 494,000 common shares in the capital of the Corporation.
- (6) As at April 30, 2018, Mr. Burnett held 223,000 stock options of the Corporation (all fully vested) entitling him to acquire, upon exercise, 223,000 common shares in the capital of the Corporation.
- (7) As at April 30, 2018, Mr. Bahnuik held 150,000 stock options of the Corporation (all fully vested) entitling him to acquire, upon exercise, 150,000 common shares in the capital of the Corporation.
- (8) As at April 30, 2018, Mr. Purifoy held 300,000 stock options of the Corporation (all fully vested) entitling him to acquire, upon exercise, 300,000 common shares in the capital of the Corporation.

**Table of Exercises of Compensation Securities by Named Executive Officers and Directors**

The following table discloses all compensation securities exercised by each director and Named Executive Officer during the fiscal year ended April 30, 2018:

<b>Name and Position</b>	<b>Type of Compensation on Security</b>	<b>Number of Underlying Securities Exercised</b>	<b>Exercise Price per Security</b>	<b>Date of Exercise</b>	<b>Closing Price per Security on Date of Exercise (\$)</b>	<b>Difference between Exercise Price and Closing Price on Date of Exercise</b>	<b>Total Value on Exercise Date<sup>(1)</sup> (\$)</b>
<b>BENJAMIN JONES</b> <i>President and CEO and Director</i>	Nil	Nil	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A
<b>VINCENT BOON</b> <i>CFO</i>	Nil	Nil	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A
<b>JOHN PROUST</b> <i>Chairman and Director</i>	Nil	Nil	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A
<b>KYLE BURNETT</b> Texas, USA <i>Director</i>	Nil	Nil	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A
<b>Jonathan Bahnuik</b> Alberta, Canada <i>Director</i>	Nil	Nil	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A
<b>Winston Purifoy</b> Texas, USA <i>Director</i>	Nil	Nil	\$ N/A	N/A	\$ N/A	\$ N/A	\$ N/A

(1) This amount represents the difference between the exercise price and the closing price on the date of exercise.

**Stock Option Plans and other Incentive Plans**

Pursuant to the Corporation’s amended stock option plan (the “Plan”), stock options may be granted to directors, officers, employees and consultants of the Corporation or any subsidiary of the Corporation (the “Participants”). The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate the Participants, to incent the Participants to contribute to the long-term goals of the Corporation and to encourage the Participants to acquire common shares of the Corporation as long-term investments.

The Plan is a “rolling 10% plan” so the number of common shares reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation as at the date of each granted stock options. The aggregate number of options granted to any option holder in a twelve month period must not exceed 5% of the issued and outstanding common shares of the Corporation, and the maximum number of options which may be granted to insiders within any twelve month period must not exceed 10% of the issued and outstanding common shares of the Corporation, unless the Corporation has obtained disinterested shareholder approval of such grants as required by the TSX Venture Exchange (the “TSXV”). The aggregate number of options granted to any one consultant of the Corporation within any 12 month period must not exceed 2% of the issued and outstanding common shares of the Corporation. Options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued and outstanding common shares of the Corporation in any 12 month period, and such options are subject to vesting provisions. The exercise price of options granted under the Plan is determined by the Board (or a committee thereof) and cannot be less than the market value of the Corporation’s common shares as of the date of grant. The term of the options cannot exceed 10 years, subject to earlier termination after certain events such as the option holder ceasing to hold office or be employed or engaged by the Corporation, or the death or disability of the option holder. The Plan does not provide for mandatory vesting provisions of the options. Options granted under the Plan may contain vesting provisions at the discretion of the Board (or a committee thereof).

In accordance with the policies of the TSXV “rolling 10% plans” must be approved annually by the shareholders of the Corporation. Accordingly, the Corporation will be seeking the approval of its shareholders to the ratification of the Plan at the Meeting. The Plan was last ratified, confirmed and approved by the shareholders at the Corporation’s annual and special meeting held on December 6, 2017.

A copy of the Plan is available upon request from the Corporation and will be available for review at the Meeting. See “*Particulars of Other Matters to be Acted Upon – Ratification of Stock Option Plan*” for details on the annual ratification of the Plan.

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

Benjamin Jones was appointed as the Chief Executive Officer on October 2, 2007 and as President on June 24, 2008. Effective October 2, 2007, the Corporation entered into a consulting agreement with Petra CBM, a management company owned by Mr. Jones, pursuant to which Mr. Jones provides his services to the Corporation for an annual consideration of \$248,447. During the financial year ended April 30, 2018, the Corporation paid consideration of \$228,607 to Petra CBM for Mr. Jones’ services as President and CEO, and an aggregate of \$19,840 for administrative and accounting services provided by Petra CBM to the Corporation and rent in connection with the Corporation’s Baton Rouge office. As at April 30, 2018, \$380,880 was owed to Petra CBM. All amounts paid to Petra CBM are paid in US\$. The amounts shown above were converted to Canadian dollars at the following average exchange rate: \$1.28. See “*Statement of Executive Compensation – Table of Compensation Excluding Compensation Securities*”.

JPA provides management, advisory, administrative and accounting services and the services of a Chief Financial Officer to the Corporation pursuant to an agreement (the “Proust Agreement”). During financial year ended April 30, 2018, the Corporation paid \$60,000 to JPA which included \$Nil for the services of Mr. Proust as Chairman of the Corporation, the services of the CFO of \$Nil, as well as other administrative and accounting services of \$60,000. As at April 30, 2018, \$120,343 was owed to JPA. See “*Statement of Executive Compensation – Table of Compensation Excluding Compensation Securities*”.

There are no arrangements for compensation with respect to the termination of Named Executive Officers, included in the event of a change of control.

### **Oversight and Description of Director and Named Executive Officer Compensation**

#### *Named Executive Officer Compensation*

The objective of the Corporation’s compensation program is to compensate the Named Executive Officers for their services to the Corporation at a level that is both in line with the Corporation’s fiscal resources and competitive with companies at a similar stage of development.

The Corporation compensates its Named Executive Officers based on their skill and experience levels and the existing stage of development of the Corporation. Named Executive Officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual’s experience and qualifications, the Corporation’s resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the Named Executive Officers with those of the shareholders. First, Named Executive Officers are paid monthly consulting fees. Second, the Board awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Corporation does not provide medical, dental, pension or other benefits to the Named Executive Officers.

The base compensation of the Named Executive Officers is reviewed and set annually by the Board based on the recommendation of the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO’s compensation is determined by the Board (excluding the CEO), based on the recommendation of the Compensation Committee formed to conduct research into compensation matters and make a recommendation to the Board. The CEO is directly responsible for the financial resources and operations of the Corporation. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole

discretion. The Board does not have pre-existing performance criteria or objectives. Bonuses are awarded only in exceptional circumstances.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on the Corporation's financial resources and prospects.

For the Corporation's fiscal year ended April 30, 2018, the significant elements of compensation paid and awarded to each Named Executive Officer were management, administrative and accounting fees paid indirectly to Mr. Jones and management fees paid indirectly by the Corporation to Mr. Boon. See "*Statement of Executive Compensation – Table of Compensation Excluding Compensation Securities*" and "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*".

See "*Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*" for a discussion on incentive stock options that may be awarded to Named Executive Officers. No stock options were granted to Named Executive Officers during the fiscal year ended April 30, 2018.

#### *Director Compensation*

The Compensation Committee determines director compensation from time to time and makes recommendations to the Board for their approval. No compensation was paid or is payable to any director of the Corporation for their respective services as a director during the fiscal period ended April 30, 2018. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors, and the Corporation may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Corporation. See "*Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*" for a discussion on incentive stock options that may be awarded to the directors of the Corporation. No stock options were granted to any directors during the fiscal year ended April 30, 2018.

#### *Recent Significant Changes to the Corporation's Compensation Policies*

There have been no significant changes to the Company's compensation policies during the financial year ended April 30, 2018 that could or will have an effect on Named Executive Officer or director compensation.

#### **Pension Benefits**

Neither the Corporation nor any of its subsidiaries currently has a pension benefits arrangement under which the Corporation or any of its subsidiaries has made payments to the directors and or Named Executive Officers of the Corporation during its fiscal year ended April 30, 2018 or intends to make payments to the Corporation's directors or Named Executive Officers upon their retirement (other than the payments set out above and those made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table provides information regarding the number of securities authorized for issuance under the Plan, as at the end of the Corporation's most recently completed financial year ended April 30, 2018:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> <b>(c)</b>
Equity compensation plans approved by securityholders	2,082,500	\$0.10	6,956,953 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>2,082,500</b>	<b>\$0.10</b>	<b>6,956,953</b>

(1) As of the Record Date, there are 9,039,453 options available for grant under the Plan.

See "Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans" for a summary of the Plan.

### APPOINTMENT AND REMUNERATION OF AUDITOR

The shareholders will be asked to vote for the re-appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, as auditor of the Corporation, to hold office until the next annual general meeting, at remuneration to be fixed by the directors. PricewaterhouseCoopers LLP, Chartered Accountants, has been the auditor of the Corporation since June 12, 2014.

### AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia) the Corporation is required to have an Audit Committee, which, at the present time, is comprised of John Proust (financially literate), Kyle Burnett (financially literate and independent) and Jonathan Bahnuik (financially literate and independent). Mr. Proust is an executive officer of the Corporation and receives fees indirectly from the Corporation pursuant to the Proust Agreement for management and advisory services to the Corporation and is therefore not independent.

The Corporation must also, pursuant to the provisions of National Instrument 52-110 - *Audit Committees* ("NI 52-110") have a written charter which sets out the duties and responsibilities of its audit committee.

#### Audit Committee Charter

The text of the Corporation's Audit Committee Charter is attached as Schedule "A" hereto.

#### Relevant Education and Experience

##### *Mr. John Proust, Chairman and Director:*

Mr. John Proust has advised public and private companies with respect to debt and equity financing, mergers and acquisitions, and corporate restructuring since 1986. Mr. Proust has served on numerous boards and in several senior operating positions for private companies and TSX Venture Exchange listed companies.

Mr. Proust has extensive experience in corporate governance, is a graduate of The Directors College, Michael G. De Groote School of Business, McMaster University and holds the designation of Chartered Director (C.Dir.).

**Mr. Kyle Burnett, Director:**

Mr. Kyle R. Burnett has over 29 years of experience working in oil and gas business. He is currently a director, Chairman, President and Chief Executive Officer of Triumph Pacific Oil and Gas Corporation, President and Chief Executive Officer of Burnett Petroleum Company and also serves as a board member for Magnolia Trading and Investment Company and Arcadia Exploration and Production Company. Mr. Burnett currently holds a 50% ownership interest in privately held Arcadia Exploration and Production Company and serves in the capacity of Chairman of the Board, Chief Executive Officer and President. Mr. Burnett founded Republic Petroleum Company in 1982 as an independent exploration and production company and acquired prospects, drilled and developed gas wells and built a gas gathering system in North Texas. Mr. Burnett is also the sole owner of Burnett Capital Investment, LLC, an entity in which all of his personal investments are held. Mr. Burnett received a Bachelors degree in Business Administration from the University of Texas at Austin in 1984. Mr. Burnett has extensive experience in financial and corporate governance matters.

**Mr. Jonathan Bahnuik, Director:**

For the past 14 years Mr. Bahnuik has practiced corporate and commercial law with special expertise relating to businesses in the energy sector. Mr. Bahnuik currently serves as the General Counsel and Corporate Secretary of Olympia Financial Group Inc. Previously, Mr. Bahnuik has been a partner at a boutique corporate commercial law firm, an associate with a large national law firm and has worked in-house with a major Canadian oil & gas corporation. Mr. Bahnuik received a Bachelor of Laws from Dalhousie University in 2002 and a Master of Business Administration from the Haskayne School of Business at the University of Calgary in 2013. Mr. Bahnuik is a member of both the Law Society of Alberta and the Law Society of British Columbia.

As a result of their respective business experience, each member of the audit committee (i) has an understanding of the accounting principles used by the Corporation to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Corporation's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

**Audit Committee Oversight**

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

**Reliance on Certain Exemptions**

At no time since May 1, 2017, the commencement of the Corporation's most recently completed financial year ended April 30, 2018, has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 which exempts venture issuers, as defined in NI 52-110, from certain reporting obligations under NI 52-110 for its most recently completed financial year ended April 30, 2018.

**Pre-Approval Policies and Procedures**

Pursuant to the Corporation's Audit Committee Charter attached as Schedule "A" hereto, the Audit Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor; however, the Audit Committee has not adopted specific policies and procedures for such approval.

### External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees	Audit Related Fees <sup>(1)</sup>	Tax Fees <sup>(2)</sup>	All Other Fees <sup>(3)</sup>
2018	\$28,500	\$ Nil	\$ Nil	\$ Nil
2017	\$23,100	\$Nil	\$Nil	\$Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation must disclose its approach to corporate governance which is as follows:

#### Board of Directors

The Board currently consists of five directors: John Proust, Kyle Burnett, Benjamin Jones, Jonathan Bahnuik and Winston Purifoy.

Messrs. Kyle Burnett, Winston Purifoy and Jonathan Bahnuik are independent directors as defined in NI 58-101 and NI 52-110. Executive officers are deemed to be not independent of the Corporation. Mr. Jones, as Chief Executive Officer and President, is an executive officer and is therefore not independent. Mr. Proust receives fees indirectly from the Corporation pursuant to the Proust Agreement for management and advisory services to the Corporation and is therefore not independent.

The Board meets periodically during the year to review and discuss the Corporation's business activities and, to consider and if thought fit, to approve matters presented to the Board for approval and to provide guidance to management. In addition, management informally provides updates to the Board periodically, as needed. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its Audit Committee and its Compensation Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs. As a result, these Board members are able to provide significant and valuable independent supervision over management.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

## Directorships

The directors of the Corporation that are also directors of other reporting issuers are as follows:

Name	Name of other reporting issuer
John G. Proust	Japan Gold Corp. (TSXV/ OTCQB) Pinedale Energy Limited. (TSXV) Lincoln Ventures Ltd. (NEX) Southern Arc Minerals Inc. (TSXV) Tethyan Resources plc (TSXV) Rise Gold Corp. (CSE/ OTCQB)

## Orientation and Continuing Education

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding management and the Corporation's affairs. After joining the Board, management and the Board provide orientation both at the outset and on an ongoing basis. The Corporation currently has no specific policy regarding continuing education for directors, and requests for education are encouraged and dealt with on an ad hoc basis.

## Ethical Business Conduct

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors and ensure that proposed directors are of the highest ethical standards. The Board does not currently have a written code of ethics.

## Nomination of Directors

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and if the results are satisfactory, the candidate is invited to join the Board.

## Compensation

Compensation for Board members is determined by the Compensation Committee, in accordance with industry norms and with reference to each individual director's level of involvement with the Corporation. See "*Statement of Executive Compensation – Director Compensation*" for further details of the Compensation Committee.

## Other Board Committees

The Corporation does not have any standing committees, other than the Audit Committee and the Compensation Committee.

## Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board level.

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

Since May 1, 2017, the beginning of the last completed financial year, no current or former director, executive officer or employee of the Corporation, or of any of its subsidiaries, has been indebted to the Corporation or to any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is 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.

## MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by directors or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*”.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Information Circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation’s last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

### **Ratification of Amended Stock Option Plan**

At the Annual and Special Meeting of Shareholders held on October 25, 2013, the shareholders approved the Corporation’s Amended Stock Option Plan which entitles the Corporation to grant options to purchase up to a maximum of 10% of the Corporation’s issued and outstanding shares as at the time of grant (the “Plan”).

The TSX Venture Exchange (“TSX-V”) requires all TSX-V listed companies who have adopted a stock option plan, such as the Plan, which reserves a rolling maximum of 10% of the number of common shares of the Corporation issued and outstanding on the applicable date of grant, to obtain shareholder ratification to such plan on an annual basis. As at the date of this Information Circular, the Corporation had 90,394,534 common shares issued and outstanding so that a maximum of 9,039,453 common shares would be available for issuance pursuant to the stock options granted under the Plan. Currently there are 2,082,500 stock options outstanding under the Plan, leaving 6,956,953 common shares available for grant of further options. Accordingly, the Corporation requests that the Shareholders ratify and approve the Plan.

The rules of the TSX-V require that the Plan be approved annually by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the Shareholders will be asked at the Meeting to pass the following ordinary resolution:

“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) the Amended Stock Option Plan (the “Plan”), in the form approved by the shareholders of Canada Energy Partners Inc. (the “Corporation”) at the Annual and Special Meeting held on October 25, 2013, is hereby ratified, confirmed and approved;
- (b) the Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Corporation as is equal to 10% of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and
- (c) the Board or any committee created pursuant to the Plan is authorized to make such amendments to the Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Plan, the shareholders.”

An ordinary resolution is a resolution passed by a majority of greater than 50% of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the Meeting.

A copy of the Plan is available for inspection before the Meeting at the Corporation's office at Suite 650, 669 Howe Street, Vancouver, British Columbia during regular business hours.

**The directors of the Corporation consider the ratification of the Plan to be in the best interests of the Corporation and recommend that shareholders vote FOR the foregoing resolution.**

#### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is also provided in the Corporation's accompanying audited financial statements and management's discussion and analysis for the most recently completed financial year.

Shareholders may obtain a copy of the Corporation's financial statements and management's discussion and analysis upon request to the Corporation by telephone at 778.725.1489 or by facsimile at 604.428.1124.

DATED this 16th day of October, 2018.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Benjamin Jones"* (signed)  
President and Chief Executive Officer

## **SCHEDULE “A”**

### **CANADA ENERGY PARTNERS INC. Audit Committee (the “Audit Committee”) of the Board of Directors**

#### **CHARTER**

#### **AUDIT COMMITTEE CHARTER**

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
  - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company,
  - (ii) the auditor’s report, if any, prepared in relation to those financial statements;
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information;
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures;
- (d) recommend to the board of directors:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and
  - (ii) the compensation of the external auditor;
- (e) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company;
- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor;
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and Chief Financial Officer to comply with Multilateral Instrument 52-109.

### **Composition of the Committee**

The committee will be composed of three directors from the Company's board of directors, a majority of whom are not officers or employees of the Company or an affiliate of the Company.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

### **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

### **Reporting**

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

