



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
OF NIKO RESOURCES LTD.**

and

**MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT**

Dated: August 13, 2014

Meeting to be held in the Viking Room at the
Calgary Petroleum Club,
319 – 5th Avenue S.W., Calgary, Alberta

Thursday, September 11, 2014
at 3:00 p.m.



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO THE HOLDERS OF COMMON SHARES OF NIKO RESOURCES LTD.:

Notice is hereby given that an annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of Niko Resources Ltd. (the "**Corporation**" or "**Niko**") will be held in the **Viking Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, on Thursday, September 11, 2014 at 3:00 p.m.** (Mountain Daylight Time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the fiscal year ended March 31, 2014 and the report of the auditors thereon;
2. to fix the number of directors to be elected at the Meeting at nine (9);
3. to elect directors of the Corporation for the ensuing year;
4. to appoint auditors for the ensuing year at such remuneration as may be determined by the board of directors of the Corporation;
5. to consider and, if thought appropriate, pass a resolution in the form set forth in the management information circular and proxy statement (the "**Information Circular**") to ratify and confirm the adoption of amended and restated By-Law No. 1 of the Corporation;
6. to consider and, if thought appropriate, pass a resolution in the form set forth in the Information Circular to confirm the adoption of a by-law providing advance notice requirements for the nomination of directors;
7. to consider and, if thought appropriate, pass a resolution in the form set forth in the Information Circular to authorize the extension of the Corporation's shareholder rights plan agreement; and
8. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Particulars of the matters referred to above are set forth in the accompanying Information Circular.

Only Shareholders of record at the close of business on August 7, 2014 will be entitled to receive notice of, and to vote at, the Meeting, except that a transferee of Common Shares after such record date may, not later than ten (10) days before the Meeting, establish a right to vote by providing evidence of the ownership of Common Shares and make a request to Computershare Trust Company of Canada that his or her name be placed on the Shareholder list for the Meeting.

YOUR VOTE IS IMPORTANT. A Shareholder may attend the Meeting and vote in person or may appoint another person (who need not be a Shareholder) as his or her proxy to attend the meeting and vote in his or her place. A form of proxy for use at the Meeting or any adjournment thereof is enclosed with this Notice. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed instrument of proxy to the Corporation's transfer agent, Computershare Trust Company of Canada, at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department. Alternatively, registered Shareholders and non-objecting beneficial owners of Common Shares may vote using the interest at the website www.investorvote.com. A proxy will not be valid unless it is received by Computershare Trust Company of Canada no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

Dated at Calgary, Alberta, this 13th day of August, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

Per: (signed) "Tim Henry"
Tim Henry
General Counsel & Corporate Secretary

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MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

GENERAL PROXY INFORMATION

Solicitation of Proxies by Management

This management information circular and proxy statement (the "**Information Circular**") is being furnished by the management of Niko Resources Ltd. ("**Niko**" or the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of the Corporation to be held in the **Viking Room at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta, at 3:00 p.m.** (Mountain Daylight time) **on Thursday, September 11, 2014**, and any adjournments thereof, for the purposes set forth in the Notice of Meeting accompanying this Information Circular (the "**Notice**"). The information contained in this Information Circular is given as of August 13, 2014 except where otherwise indicated.

The head and executive office of the Corporation is located at Suite 4600 Devon Tower, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

It is expected that the solicitation of proxies will be primarily by mail or personal solicitations by the officers or employees of the Corporation, at no additional compensation. The costs of solicitation by management will be borne by the Corporation.

All dollar amounts in this Circular are presented in US dollars ("US\$"), except where otherwise indicated

Appointment of Proxies

Shareholders who wish to be represented at the Meeting by proxy must complete and deliver their proxies to the Corporation's transfer agent, Computershare Trust Company of Canada ("**Computershare**"):

100 University Avenue, 8th Floor
Toronto, Ontario, M5J 2Y1
Attention: Proxy Department
1-800-564-6253 (toll free)
service@computershare.com

In order to be valid, proxies must be received by Computershare no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof.

The persons named as proxy holders in the accompanying instrument of proxy are directors and/or officers of the Corporation. **A Shareholder desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the accompanying instrument of proxy may do so either by striking out the names provided and inserting such person's name in the blank space provided in the instrument of proxy or by completing another instrument of proxy to replace a previously submitted instrument of proxy and, in either case, delivering the completed proxy to the office of Computershare at the address referred to above within the time specified above for the deposit of proxies.**

Revocation of Proxies

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has submitted a proxy attends personally at the Meeting at which such proxy is voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by: (a) the Shareholder signing another proxy bearing a later date than the first proxy and delivering such subsequent proxy to Computershare at the address referred to above and within the time specified above for the deposit of proxies; or (b) an instrument in writing by such Shareholder deposited either with Computershare at the address referred to above or with the Chairman of the Meeting at any time prior to the Meeting or any adjournment thereof.

Signature of Proxy

The accompanying instrument of proxy as well as any instrument revoking the same shall be executed by the Shareholder or his attorney authorized in writing, or if a Shareholder is a corporation, the proxy or other instrument should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. Such proxy or other instrument signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his signature and should be accompanied by the appropriate documentation evidencing qualification and authority to act (unless such documentation has been previously filed with the Corporation).

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with such specification. In the absence of such specification, such Common Shares will be voted for fixing the number of directors to be elected at nine (9) "FOR" the election as directors of those nominees of management listed in the Information Circular, "FOR" the appointment of KPMG LLP, Chartered Accountants, "FOR" ratifying and confirming the adoption of amended and restated By-Law No. 1 ("**Amended and Restated By-Law No. 1**") as described in the Information Circular, "FOR" confirming the adoption of a by-law providing advance notice requirements for the nomination of directors (the "**Advance Notice By-Law**") as described in the Information Circular and "FOR" approving the extension of the Corporation's shareholder rights plan (the "**Rights Plan**").

Registered Shareholders and non-objecting beneficial owners of Common Shares may vote using the internet at the website www.investorvote.com. Such Shareholders should have the form of proxy in hand when they access the website, as they will be prompted to enter their control number, which is located on the form of proxy. If such Shareholders vote using the website, their votes must be received not later than 3:00 p.m. (Mountain Daylight time) on September 9, 2014 or forty-eight (48) hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxyholder to attend and vote on such a Shareholder's behalf at the Meeting and to convey such a Shareholder's voting instructions. Please note that if such a Shareholder appoints a proxyholder and submits its voting instructions and subsequently wishes to change its appointment, the Shareholder may resubmit its proxy and/or voting direction prior to the deadline noted above. The most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

Exercise of Discretion by Proxies

The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the proxy and Notice and with respect to other matters which may properly come before the Meeting. At the time of printing this Information Circular, management of the Corporation knows of no such amendment to or variation of other matters to come before the Meeting other than the matters referred to in the Notice.

Voting Shares

As at August 13, 2014, there were 94,019,172 Common Shares outstanding, each carrying the right to one vote per share at the Meeting. Only Shareholders of record on August 7, 2014 are entitled to notice of, and to vote at, the Meeting except that a transferee of Common Shares after August 7, 2014 may, not later than ten (10) days before the Meeting, establish a right to vote by providing evidence of ownership of Common Shares and making a request to Computershare that the transferee's name be placed on the Shareholder list for the Meeting.

Principal Holders of Voting Shares

Based on the Early Warning Report under the Alternative Monthly Reporting System of National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* filed for the period ended March 31, 2014, Fidelity Management & Research Company, Pyramis Global Advisors LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, FIL Limited, Crosby Advisors LLC, Fidelity SelectCo LLC, collectively named as "**Fidelity**" owned 12,947,806, or approximately 14.87% of outstanding Common Shares subsequent to March 31, 2014. Robert Disbrow, filed an early warning report advising that he owned or exercised control or direction over 8,661,150, or approximately 9.21%, of the issued and outstanding Common Shares. To the knowledge of the directors and executive officers of the Corporation, as at August 13, 2014, no other persons or companies beneficially owned, directly or indirectly, or exercised control or direction over more than ten (10) percent of the Common Shares.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the 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 The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting 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. or of other brokers/agents are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed

by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its 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 behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails voting instruction forms ("**VIFs**") to the Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge. 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 receiving a VIF cannot use that VIF to vote Common Shares directly at the Meeting – the VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial interest or otherwise, of any director or executive officer of the Corporation, any proposed nominee for election as a director of the Corporation or any associate or affiliate of the foregoing in any matter to be acted upon at the Meeting other than the election of directors.

MATTERS TO BE ACTED UPON AT THE MEETING

Consolidated Financial Statements

The Corporation files the annual report and annual information form with Canadian securities regulators. A copy of the recent annual report, including the audited consolidated financial statements and management's discussion and analysis, the annual information form and this circular will be provided on request to registered and beneficial Shareholders. Copies can also be obtained by accessing public filings on SEDAR, at www.sedar.com. No vote is required in respect of this matter. The board of directors of the Corporation (the "**Board**"), upon the recommendation of the Audit Committee of the Corporation (the "**Audit Committee**"), approved the financial statements prior to their delivery to the Shareholders.

Fixing the Number of Directors

The Board presently consists of nine (9) directors and it is proposed that, at the Meeting, the Shareholders fix the number of directors to be elected at the Meeting at nine (9). At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass the following resolution:

"**BE IT RESOLVED THAT** the number of directors of Niko Resources Ltd. to be elected be and is hereby fixed at nine (9)."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. **The Board recommends that Shareholders vote FOR the resolution fixing the number of directors to be elected at nine (9).** In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

Election of Directors

Nominees

The following table states the names and cities of residence of the persons proposed to be nominated for election as directors at the Meeting, all other positions and offices with the Corporation now held by them, their principal occupations at present, the year in which they were first elected directors and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at March 31, 2014 and 2013. The information contained herein has been furnished by the respective nominees to the Corporation. Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected or appointed pursuant to the Corporation's by-laws, unless the director's office is earlier vacated.

The persons named in the enclosed instrument of proxy, if named as proxy, intend to vote in favour of the proposed nominees to the Board unless a Shareholder has specified in its instrument of proxy that the Shareholder's Common Shares are to be withheld from voting for any of the nominees.

Director Biographies



William T. Hornaday

Age: 58	Calgary, Alberta, Canada	Director since 2007	Not Independent – Chief Operating Officer of the Corporation
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Biography⁽¹⁾

Mr. Hornaday has been the Chief Operating Officer of Niko since 2005. Prior thereto, he was the Vice President, Operations of Niko since 2001. Mr. Hornaday is a professional engineer with over thirty-eight (38) years of industry experience and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. He holds a Bachelor of Science in Mechanical Engineering from the University of Calgary. He has worked in the energy business in North America, India, Indonesia and Australia. Mr. Hornaday has extensive experience in all aspects of operations including project management, production, facilities, drilling and business development. He was previously executive Director and Chief Operating Officer for a successful intermediate size international gas and power generating company.

Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):	Public Board Interlocks:
Enterprise Management Business Development/Strategic Planning Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Global Experience Reserves Evaluation Risk Evaluation	Niko Resources Ltd.	None	None


Board/Committee Membership at the date hereof: ⁽²⁾		Attendance during Fiscal 2014:		Attendance (Total):		Annual Base Salary (CAD\$):	Equity Ownership/ Annual Base Salary:
		#	%	#	%		
Board	Member	9/10	90%	14/15	93%	571,961	-
Environment and Reserves Committee	Member	5/5	100%				


Securities Held as at March 31:⁽³⁾


Year	Common Shares	Market Value per Common Share (CAD\$) ⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement ⁽⁵⁾	Stock Options
2014	108,017	1.99	214,954	CAD\$100,000	Yes	660,415
2013	112,017	5.91	662,020	3 x base salary	Yes	668,749


Voting Results of 2013 Annual Meeting of Shareholders


	Votes for	Votes Withheld	Total Votes Cast
# of votes	43,816,871	491,748	44,308,619
% of votes	98.89	1.11	100


	C. J. (Jim) Cummings						
	Age: 64	Calgary, Alberta, Canada		Director since 2005	Independent		
	Biography⁽¹⁾						
Mr. Cummings has been a Partner of International Energy Counsel LLP (a law firm) since December 2002. Prior thereto, he was a Partner of Donahue LLP (a law firm) until November 2002. Mr. Cummings has been involved in the petroleum industry for in excess of the past thirty-two (32) years. He graduated from the University of Alberta with a degree in Law and has practiced in government, corporate and private roles, specializing in international oil and gas law. Mr. Cummings has served as Senior Counsel with the Attorney General of Alberta in the Constitutional and Energy Law Department, Senior Counsel with Home Oil Company Limited and Vice-President and General Counsel with both Asamera Inc. and Bow Valley Energy Ltd. He is currently a partner in International Energy Counsel LLP and a director of a number of private corporations. He is a past Chair of the Association of General Counsel of Alberta.							
Areas of Expertise:		Current Public Board Memberships:		Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:	
Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Global Experience Legal Expertise Risk Evaluation		Niko Resources Ltd.		Kroes Energy Inc.		None	
Board/Committee Membership at the date hereof:⁽²⁾		Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
		#	%	#	%		
Board	Member	10/10	100%	52/52	100%	50,000	-
Audit Committee	Member	8/8	100%				
Compensation Committee	Member	5/5	100%				
Corporate Governance Committee	Chair	5/5	100%				
Restructuring Committee	Member	24/24	100%				
Securities Held as at March 31:⁽³⁾							
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement	Stock Options	
2014	32,901	1.99	65,473	CAD\$100,000	Yes	194,393	
2013	31,901	5.91	188,535	5 x annual retainer	Yes	83,333	
Voting Results of 2013 Annual Meeting of Shareholders							
	Votes for		Votes Withheld		Total Votes Cast		
# of votes	32,063,881		12,244,738		44,308,619		
% of votes	72.36		27.64		100		


	Conrad P. Kathol						
	Age: 64	Calgary, Alberta, Canada		Director since 1996	Independent		
	Biography⁽¹⁾						
Mr. Kathol has been President of Silver Thorn Exploration Ltd. (a natural resource company) since April 2004. Prior thereto, he was President of Invader Exploration Inc. (a public oil and gas company). Mr. Kathol is a professional engineer and holds a Bachelor of Science in Civil Engineering from the University of Alberta and has worked in the oil and gas industry for the past forty-three (43) years. He has worked as an exploration geologist in western Canada and the United States and has a strong background in all aspects of the industry, including modern exploration technology, reservoir engineering and economic evaluation. Mr. Kathol has been involved in the management and has been a director of several publicly traded resource companies during the past thirty-two (32) year.							
Areas of Expertise:		Current Public Board Memberships:		Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:	
Enterprise Management Business Development/Strategic Planning Financial Literacy Corporate Governance Oil and Gas Operations Health, Safety & Environment Management Reserves Evaluation Risk Evaluation		Niko Resources Ltd.		None		None	
Board/Committee Membership at the date hereof:⁽²⁾		Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
		#	%	#	%		
Board	Member	10/10	100%	25/25	100%	50,000	-
Compensation Committee	Member	5/5	100%				
Environment and Reserves Committee	Member	5/5	100%				
Corporate Governance Committee	Member	5/5	100%				
Securities Held as at March 31:⁽³⁾							
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement	Stock Options	
2014	220,594	1.99	438,982	CAD\$100,000	Yes	221,692	
2013	246,279	5.91	1,455,509	5 x annual retainer	Yes	87,500	
Voting Results of 2013 Annual Meeting of Shareholders							
	Votes for		Votes Withheld		Total Votes Cast		
# of votes	32,345,030		11,963,589		44,308,619		
% of votes	73.00		27.00		100		


	Stewart Gossen						
	Age: 63		Calgary, Alberta, Canada		Director since April 2014	Independent	
	Biography⁽¹⁾						
Mr. Gossen is a forty (40) year veteran of the international oil and gas industry with extensive experience in the upstream and midstream sectors. After obtaining his Master of Business Administration Degree from the University of Western Ontario, Mr. Gossen began his career with Home Oil Company Ltd. where he held senior management positions including Vice President Exploration and Production, Southern Division, Vice President, Acquisitions and Divestitures, and Vice President, Business Development. Mr. Gossen subsequently spent ten (10) years with Enbridge Inc. as Vice President and General Manager of Enbridge Venezuela and Vice President Project Development. During his career with Home Oil and Enbridge, Mr. Gossen had extended overseas postings in Perth, Australia and Caracas, Venezuela. After retiring from Enbridge, Mr. Gossen has been engaged in working with smaller oil and gas companies in Canada, and has served as a director of numerous public company, private company and non-for-profit organizations.							
Areas of Expertise:		Current Public Board Memberships:		Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:	
Business Development/Strategic Planning Financial Literacy Corporate Governance Change Management Oil and Gas Operations Financial Expertise Global Experience Human Resources Reserve Evaluation Risk Evaluation		Niko Resources Ltd.		Vectra Energy Corporation		None	
Board/Committee Membership at the date hereof:⁽²⁾		Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
		#	%	#	%		
Board	Member	N/A	N/A	N/A	N/A	N/A	N/A
Audit Committee	Member	N/A	N/A				
Corporate Governance Committee	Member	N/A	N/A				
Securities Held as at March 31:⁽³⁾							
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement	Stock Options	
2014	-	1.99	-	CAD\$100,000	No ⁽⁶⁾	-	
2013	-	-	-	-	-	-	
Voting Results of 2013 Annual Meeting of Shareholders							
	Votes for		Votes Withheld		Total Votes Cast		
# of votes	N/A		N/A		N/A		
% of votes	N/A		N/A		N/A		

	Vivek Raj					
	Age: 31	Greenwich, Connecticut, USA	Director since N/A	Independent		
	Biography⁽¹⁾					
Mr. Raj is currently Partner at CSL Capital Management LLC, where he manages a portfolio of companies under the energy and oilfield services sector. Prior to that, Mr. Raj was Vice President of Petrotiger from 2009 to 2010, where he worked on merger and acquisition deals, start-up of operations and operational improvements. From 2004 to 2007, Mr. Raj was an Engineer at Schlumberger Oil Field Services in China and Saudi Arabia. Mr. Raj holds a Master of Business Administration from Harvard Business School, and Bachelor of Technology from Indian Institute of Technology.						
Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:		
Business Development/Strategic Planning Financial Literacy Oil and Gas Operations Financial Expertise Global Experience	None	None		None		
Board/Committee Membership at the date hereof:⁽²⁾	Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
	#	%	#	%		
Board	Member	N/A	N/A	N/A	N/A	N/A
Securities Held as at March 31:⁽³⁾						
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement	Stock Options
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
Voting Results of 2013 Annual Meeting of Shareholders						
	Votes for		Votes Withheld		Total Votes Cast	
# of votes	N/A		N/A		N/A	
% of votes	N/A		N/A		N/A	

	Kevin J. Clarke						
	Age: 63	East Amherst, New York, USA		Director since August 2014	Independent		
	Biography⁽¹⁾						
Mr. Clarke has led global high performance organizations of up to 15,000 people with sales over \$1 billion, and manufacturing facilities across the US, Canada, and Latin America. From 2010 to 2013, Mr. Clarke was President and Chief Executive Officer of Catalyst Paper, a manufacturing company specializing in pulp and paper for newspapers, magazines and other print applications; and led the financial and operational restructuring of the company. His restructuring experience included guidance through CCAA bankruptcy protection process, reduction of debt and annual costs, and successfully improving overall productivity and performance levels. Previously, Mr. Clarke was Group President and President of Worldcolor (Quebecor World) between 1986 to 2009, where he led institutional strategic planning and strategic business development initiatives. Mr. Clarke holds a Bachelor of Science – Transportation and Logistics from Niagara University in New York.							
Areas of Expertise:		Current Public Board Memberships:		Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:	
Enterprise Management Business Development/Strategic Planning Financial Literacy Corporate Governance Change Management Health, Safety and Environment Management Financial Expertise Global Experience Human Resources Risk Evaluation		Niko Resources Ltd.		Catalyst Paper		None	
Board/Committee Membership at the date hereof:⁽²⁾		Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
		#	%	#	%		
Board	Member	N/A	N/A	N/A	N/A	N/A	N/A
Securities Held as at March 31:⁽³⁾							
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement⁽⁶⁾	Stock Options	
2014	-	-	-	-	-	-	
2013	-	-	-	-	-	-	
Voting Results of 2013 Annual Meeting of Shareholders							
	Votes for		Votes Withheld		Total Votes Cast		
# of votes	N/A		N/A		N/A		
% of votes	N/A		N/A		N/A		

	E. Alan Knowles					
	Age: 60	Calgary, Alberta, Canada		Director since N/A	Independent	
Biography⁽¹⁾						
Mr. Knowles was a Senior Oil and Gas Analyst at Haywood Securities Inc. from 2000 to 2014, where he covered various international and domestic oil and gas producers, including more recently Parex, Niko Resources Ltd., Gran Tierra, Crescent Point, Legacy, among others. Prior to that, Mr. Knowles was a Senior Oil and Gas Analyst at Research Capital Corporation and Canaccord Capital Corporation. He has also worked in the oil and gas industry as Vice President Finance, Chief Financial Officer, and Manager of Treasury and has strong financial expertise. Mr. Knowles holds a Bachelor of Commerce from the University of Calgary.						
Areas of Expertise:	Current Public Board Memberships:		Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:	
Business Development/Strategic Planning Financial Literacy Corporate Governance Change Management Oil and Gas Operations Health, Safety and Environment Management Financial Expertise Global Experience Human Resources Reserves Evaluation Risk Evaluation	None		None		None	
Board/Committee Membership at the date hereof:⁽²⁾	Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
	#	%	#	%		
Board	Member	N/A	N/A	N/A	N/A	N/A
Securities Held as at March 31:⁽³⁾						
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement	Stock Options
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
Voting Results of 2013 Annual Meeting of Shareholders						
	Votes for		Votes Withheld		Total Votes Cast	
# of votes	N/A		N/A		N/A	
% of votes	N/A		N/A		N/A	

	Steven K. Gendal					
	Age: 43	Armonk, New York, USA	Director since August 2014	Independent		
	Biography⁽¹⁾					
Mr. Gendal has worked for over fourteen years at Whippoorwill Associates, Inc., an investment firm specializing in distressed debt and special situations, and is currently the co-portfolio manager. Previously, Mr. Gendal was a Corporate Finance Associate at Brean Murray & Company from 1999 to 2000. Mr. Gendal received a Juris Doctorate from Brooklyn Law School and has a Bachelor of Science in Finance from Syracuse University.						
Areas of Expertise:	Current Public Board Memberships:		Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:	
Business Development/Strategic Planning Financial Literacy Corporate Governance Financial Expertise	Niko Resources Ltd.		None		None	
Board/Committee Membership at the date hereof:⁽²⁾	Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
	#	%	#	%		
Board	Member	N/A	N/A	N/A	N/A	N/A
Securities Held as at March 31:⁽³⁾						
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement⁽⁶⁾	Stock Options
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
Voting Results of 2013 Annual Meeting of Shareholders						
	Votes for		Votes Withheld		Total Votes Cast	
# of votes	N/A		N/A		N/A	
% of votes	N/A		N/A		N/A	

	Joshua A. Sigmon					
	Age: 33	New York, New York, USA	Director since N/A	Independent		
	Biography⁽¹⁾					
Mr. Sigmon is a Director at Mount Kellett Capital Management LP and is part of the North American investment team. Mount Kellett is a leading private equity firm based in New York with over \$7 billion of capital under management of which \$1 billion is invested or committed to investments in the energy sector. Prior to joining Mount Kellett, Mr. Sigmon was an Analyst at Coatue Management where he was responsible for generating long and short investment ideas and portfolio positions in a variety of sectors. Prior to Coatue, Mr. Sigmon worked at Cerberus Capital Management where he focused on private equity and distressed debt investments. Mr. Sigmon began his career as an investment banker in the Restructuring and Leveraged Finance Group at UBS. Mr. Sigmon has a Bachelor of Arts in International Economics and Business from Boston University and a Juris Doctorate/Master of Business Administration from University of Miami.						
Areas of Expertise:	Current Public Board Memberships:	Public Board Memberships in the past 5 years (excluding Niko):		Public Board Interlocks:		
Financial Literacy Financial Expertise	None	None		None		
Board/Committee Membership at the date hereof:⁽²⁾	Attendance during Fiscal 2014:		Attendance (Total):		Annual Retainer (CAD\$):	Equity Ownership/ Annual Retainer:
	#	%	#	%		
Board	Member	N/A	N/A	N/A	N/A	N/A
Securities Held as at March 31:⁽³⁾						
Year	Common Shares	Market Value per Common Share (CAD\$)⁽⁴⁾	Total Market Value of Common Shares (Value at Risk) (CAD\$)	Minimum Shareholding Requirement	Meets Requirement	Stock Options
2014	-	-	-	-	-	-
2013	-	-	-	-	-	-
Voting Results of 2013 Annual Meeting of Shareholders						
	Votes for		Votes Withheld		Total Votes Cast	
# of votes	N/A		N/A		N/A	
% of votes	N/A		N/A		N/A	

Notes:

- (1) Each of the above persons has held the principal position shown opposite his name for at least the last five years, unless otherwise noted.
- (2) The Corporation does not have an executive committee. The Corporation has disclosure officers, but does not have a disclosure committee.
- (3) The shareholdings set forth in this table represent the number of Common Shares beneficially owned, directly or indirectly, or controlled or directed by each proposed director.
- (4) The market value per common share for Fiscal 2014 is based on the weighted average trading price for the five day period prior to year-end.
- (5) Mr. Hornaday meet the minimum shareholding requirement by virtue of the fact that their cash cost in the shares exceeds the minimum dollar value threshold.
- (6) Mr. Gossen was appointed by the Board of Directors in April 2014. Subsequently Mr. Gossen has met the minimum shareholder requirement. Mr. Clarke and Gendal was appointed by the Board of Directors in August 2014, both individuals have until August 6, 2017 to meet the minimum shareholder requirement.

- (7) Annual base cash retainer fee for each director is CAD\$50,000. Additional cash retainer fees are applicable for certain roles and responsibilities, refer to "Statement of Executive Compensation – Director Compensation - Fees Earned" for details.

Orders

To the knowledge of management of the Corporation, no proposed director is, as at the date hereof, or has been within ten (10) years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Niko), that (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days.

Bankruptcies

To the knowledge of management of the Corporation, one of the proposed directors of the Corporation, (a) is, as at the date hereof, or has been within the ten (10) years before the date hereof, a director or executive officer of any company (including Niko) 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 the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director. Mr. Gendal is a Director of LHI Liquidation Co., Inc (formerly Loehmann's Inc.) in which filed Chapter 11 in December 2013. The plan of liquidation was confirmed on July 22, 2014. The claims reconciliation and objection process is expected to be effective until the next hearing in August 2014. At that time, Mr. Gendal will no longer be a member of LHI's Board.

Penalties and Sanctions

To the knowledge of management of the Corporation, no proposed director, has been subject to, (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a policy (the "**Majority Voting Policy**") that will permit a Shareholder to vote for, or withhold from voting for, each director nominee separately. If a director nominee has more votes withheld than are voted in favour of him, such nominee will be expected to forthwith submit his resignation to the Board, effective on acceptance by the Board. The Board will refer the resignation to the Corporate Governance Committee of the Board (the "**Corporate Governance Committee**") for consideration. The Corporate Governance Committee will consider all factors deemed relevant by the members of the Corporate Governance Committee, including, without limitation, the stated reason or reasons why Shareholders who cast "withhold" votes for the director did so, the qualifications of the director, including, without limitation, the impact the director's resignation would have on the Corporation, and whether the director's resignation from the Board would be in the best interest of the Corporation and the Shareholders. Within ninety (90) days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation. The Majority Voting Policy does not apply in circumstances involving contested director elections. The full text of the Majority Voting Policy is attached hereto as Appendix E.

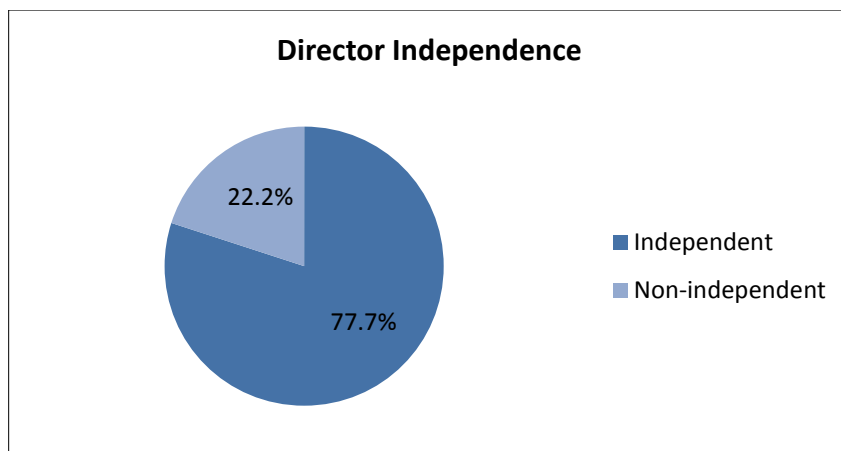
Director Candidates

The articles of the Corporation currently provide for a minimum of three (3) directors and a maximum of twelve (12) directors. The Corporation currently has ten (10) directors. The Corporation is proposing nine (9) directors for election. The Corporate Governance Committee is expanding its evergreen list of director candidates as part of the process of recruiting new and additional directors. Such director may assume the position of Chairman.

The range of skills and experience sought by the Board include extensive international oil and gas industry experience, an exploration background, financial literacy and a strong reputation. The Board also considers the skills and experience of existing directors and the need for additional skills and experience on the Board in the areas of: enterprise management, business development, mergers and acquisitions, strategic planning, corporate governance, change management, oil and gas operations, health, safety and environment management, financial expertise, global experience, human resources, reserves evaluation and risk evaluation.

Director Independence

The Corporation uses the meaning of independence set forth in section 1.4 of Canadian Securities Administrators' National Instrument 52-110 *Audit Committees* ("NI 52-110") to assess whether or not Board members are independent.



Committees of the Board

The following chart sets out all committee members (✓) as at March 31, 2014. While not a member of the Audit Committee, Mr. Hesje is an advisor to the Audit Committee given his experience as a financial expert.

Director	Year Appointed	Audit Committee (AC)	Compensation Committee (CC)	Corporate Governance Committee (CGC)	Environment and Reserves Committee (ERC)	Restructuring Committee (RC)
C. J. (Jim) Cummings	2005	✓	✓	✓		✓
Charles S. Leykum ⁽²⁾⁽⁴⁾	2013					✓
Conrad P. Kathol	1996		✓	✓	✓	
Kevin J. Clarke ⁽³⁾	2014					
Norman M. K. Louie ⁽²⁾⁽⁴⁾	2013		✓			✓
Murray E. Hesje ⁽¹⁾⁽²⁾⁽⁴⁾	2014					
Steven K. Gendal ⁽²⁾⁽³⁾	2014					
Stewart Gossen ⁽²⁾	2014	✓		✓		
Wendell W. Robinson ⁽²⁾⁽⁴⁾	1999	✓	✓	✓		✓
William T. Hornaday ⁽¹⁾	2007				✓	

Notes:

- (1) Non-independent director.
- (2) Designated financial expert.
- (3) Mr. Clarke and Mr. Gendal were appointed as directors subsequent to March 31, 2014. Committee membership to be determined.
- (4) Mr. Leykum, Mr. Louie, Mr. Hesje, and Mr. Robinson are ceased to be members of the Board and of any Committees immediately, prior to, the Annual General Meeting held on September 11, 2014.

Meeting Attendance

The following table sets forth the number of Board and Committee meetings held in fiscal 2014, including in-camera sessions:

Director	Board		Committees										Total	
			Audit Committee (AC)		Compensation Committee (CC)		Corporate Governance Committee (CGC)		Environment and Reserves Committee (ERC)		Restructuring Committee (RC)			
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
C. J. (Jim) Cummings	10	100	8	100	5	100	5	100	-	-	24	100	52	100
Charles S. Leykum	7	70	-	-	-	-	-	-	-	-	22	100	29	85
Conrad P. Kathol	10	100	-	-	5	100	5	100	5	100	-	-	25	100
Murray E. Hesje	7	70	7	87	-	-	-	-	-	-	-	-	14	77
Norman M.K. Louie	9	90	6	75	1	20	-	-	-	-	24	100	40	85
Wendell W. Robinson	10	100	8	100	5	100	-	-	-	-	24	100	47	100
William T. Hornaday	9	90	-	-	-	-	-	-	5	100	-	-	14	93
Total	10	100	8	100	5	100	5	100	5	100	24	100	57	100

Interlocking Directorships

The term "interlocking directorship" refers to when a member of the Board serves on the board of directors of more than one publicly-listed company. As at the date hereof, none of the nominees for election to the Board sits on the board of directors of other publicly-listed company. The Corporation has not adopted a formal policy limiting interlocking directorships. The Corporation has adopted a formal policy that it will evaluate any interlocking directorships that occur in the future to determine if they impact the ability of the directors to act in the best interests of the Corporation. When recruiting new directors, the Corporation considers the number of public company boards on which a proposed director sits when evaluating whether such proposed director will have sufficient time to devote to the Corporation and discharge his or her duty to act in the best interests of the Corporation.

Mandatory Share Ownership

One way the directors of the Corporation demonstrate their commitment to the Corporation's success and align their interests with those of the Shareholders is through share ownership. The directors of the Corporation are required to beneficially own, directly or indirectly, or control or direct that number of Common Shares having a value of, in the case of independent directors, no less than one-hundred thousand dollars (CAD\$100,000) and, in the case of directors who are employees of the Corporation, no less than three (3) times their respective base salaries, and to maintain such ownership while they are directors. Under these guidelines, an individual has three (3) years from the effective date of his election as a director to acquire and hold the required number of Common Shares. For purposes of the foregoing, the value of the Common Shares held by a director shall be the greater of: (i) the cost to the director of such Common Shares; and (ii) the number determined by multiplying the number of Common Shares so held by the weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the most recently completed financial year. All of the directors of the Corporation are in compliance with the Corporation's share ownership guidelines since directors have time, they are presently compliant. Mr. Gossen, who was appointed by the Board of Directors on April 11, 2014, has until April 11, 2017 to acquire and hold the required number of Common Shares. Mr. Clarke and Mr. Gendal, who were appointed by the Board of Directors on August 6, 2014, have until August 6, 2017 to acquire and hold the required number of Common Shares.

The Corporation has a policy that directors and officers of the Corporation may not purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars and units of exchange funds, which are designed to hedge or offset a decrease in market value. In this manner, the at-risk shareholdings are preserved.

Director Skills Matrix

The following table summarizes the relevant skills of each nominee to the Board:

Skill	Description
Enterprise Management	Experience as a President or Chief Executive Officer leading an organization.
Business Development/Strategic Planning	Management or executive experience with responsibility for identifying value creation opportunities.
Financial Literacy	Ability to critically read and analyze financial statements.
Corporate Governance	Understanding of the requirements of good corporate governance usually gained through experience as a senior executive offices or a board member of a public organization.
Change Management	Experience leading a major organizational change or managing a significant merger.
Oil and Gas Operations	Management or executive experience with oil and gas operations.
Health, Safety and Environment Management	Understanding of the regulatory environment surrounding workplace health, safety, environment and social responsibility.
Financial Expertise	Senior executive experience in financial accounting, reporting and corporate finance.
Global Experience	Management or executive experience in a multi-national organization providing understanding of the challenges faced in a different cultural, political or regulatory environment.
Human Resources	Management or executive experience with responsibility for human resources.
Legal Expertise	A legal scholar versed in civil or common law.
Reserves Evaluation	Specific experience with or executive responsibility for oil and gas reserves evaluation.
Risk Evaluation	Management or executive experience in evaluating and managing various risks faced by an organization.

Skill	E. Alan Knowles	C. J. (Jim) Cummings	Conrad P. Kathol	Joshua A. Sigmon	Kevin J. Clarke	Steven K. Gendal	Stewart Gossen	Vivek Raj	William T. Hornaday
Enterprise management			√		√				√
Business Development/Strategic Planning	√		√		√	√	√	√	√
Financial Literacy	√	√	√	√	√	√	√	√	√
Corporate Governance	√	√	√		√	√	√		√
Change Management	√				√		√		
Oil and Gas Operations	√	√	√				√	√	√
Health, Safety and Environment Management	√	√	√		√				√
Financial Expertise	√			√	√	√	√	√	
Global Experience	√	√			√		√	√	√
Human Resources	√				√		√		
Legal Expertise		√							
Reserves Evaluation	√		√				√		√
Risk Evaluation	√	√	√		√		√		√

Appointment of Auditors

The management of the Corporation proposes that KPMG LLP, Chartered Accountants, be appointed as the auditors of the Corporation for the ensuing year at such remuneration as may be fixed by the Board. KPMG LLP has acted as the auditors of the Corporation since September 30, 1997.

The following is the text of the resolution to be considered at the Meeting:

"BE IT RESOLVED THAT KPMG LLP, Chartered Accountants, be appointed auditors of the Corporation at such remuneration as may be determined by the Board of Directors and the Board of Directors is hereby authorized to fix such remuneration."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy thereon at the Meeting. **The Board recommends that Shareholders vote FOR the resolution appointing KPMG LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year.** In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

Audit Fees and Other Audit Services

The aggregate fees billed by the Corporation's external auditors for audit and professional services are as follows for the fiscal years:

\$ thousands (CAD)	2014	2013
Audit Fees	896	820
Audit-related Fees	5	137
Tax Fees	30	33
Total	931	990

Audit fees were paid, or are payable, for professional services rendered by the auditors for the audit and quarterly reviews of the Corporation's consolidated financial statements, or services provided in connection with statutory and regulatory filings or engagements. Audit-related fees are related to professional services with respect to prospectuses, translation of foreign language financial statements and audit certifications. Tax fees are related to professional services including tax compliance, tax advice and tax planning for corporate tax filings.

Confirmation of Adoption of Amended and Restated By-Law No. 1

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, approve a resolution ratifying and confirming the adoption of Amended and Restated By-Law No. 1.

By-Law No. 1 was first enacted when the Corporation was incorporated in 1987 and, with the exception of an amendment to the quorum for meetings of shareholders adopted and confirmed in 1996, no amendments have been made to By-Law No. 1. Given the passage of time, By-Law No. 1 does not reflect recent developments in applicable law, best practices in corporate governance or the evolution of the Corporation. The Board considered and began the process of amending certain provisions of By-Law No. 1 on a piece-meal basis but ultimately determined that it would be best to adopt a modernized form of by-law for the Corporation. As such, Amended and Restated By-Law No. 1 is intended to improve alignment of the Corporation's by-laws with the *Business Corporations Act* (Alberta) (the "ABCA") and prevailing market standards for corporate governance.

Amended and Restated By-Law No. 1 was approved by the Board on August 13, 2014. It is in effect until it is confirmed, confirmed as amended or rejected by Shareholders at the Meeting, and if confirmed or confirmed as amended, the Amended and Restated By-Law No. 1 will continue in effect in the form in which it is so confirmed. If Shareholders reject the confirmation of the Amended and Restated By-Law No. 1, it will cease to have effect as of the date of the Meeting (and not retroactively) and By-Law No. 1 will remain as the operative by-laws of the Corporation. The full text of the Amended and Restated By-Law No. 1 is attached as Appendix [G] to this Information Circular.

Description of Key Differences Between By-Law No. 1 and Amended and Restated By-Law No. 1

The following is a summary of the key differences between By-Law No. 1 and Amended and Restated By-Law No. 1:

- Amended and Restated By-Law No. 1 is streamlined and modernized as compared to the previous By-Law No. 1 because it does not repeat statutory requirements set out in the ABCA and the wording of some provisions has been simplified.
- Amended and Restated By-Law No. 1 aligns the director residency requirements to those in the ABCA; in particular, the fifty (50) percent Alberta residency requirements for directors set forth in By-Law No. 1 were replaced with a twenty five (25) percent Canadian residency requirements for directors.
- Amended and Restated By-Law No. 1 recognizes and permits electronic communications in accordance with the current provisions of the ABCA and modernize references to the form of electronic communications permitted.
- Amended and Restated By-Law No. 1 amends the quorum requirements for directors to align with current provisions of the ABCA.
- Amended and Restated By-Law No. 1 includes a provision regarding conflicts between the ABCA, the articles of the Corporation or any unanimous shareholders' agreement and the by-laws of the Corporation.

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass the following resolution:

"BE IT RESOLVED THAT:

1. The adoption by the Board of Directors of the amended and restated By-Law No. 1, substantially in the form set out in Appendix [G] to the Information Circular of the Corporation dated August 13, 2014, be and is hereby ratified and confirmed.
2. Any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy thereon at the Meeting. **The Board recommends that Shareholders vote FOR the resolution ratifying and confirming the adoption of Amended and Restated By-Law No. 1.** In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

Confirmation of Adoption of Advance Notice By-Law

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, approve a resolution confirming the adoption of the Advance Notice By-Law.

In order to provide Shareholders, the Board and management with guidance on the nomination of directors, the Board has determined that it is in the best interests of the Corporation to adopt an advance notice by-law to require advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders of the Corporation. Accordingly, on August 13, 2014 the Board approved the adoption of the Advance Notice By-Law. The Advance Notice By-Law is in effect until it is confirmed, confirmed as amended or rejected by Shareholders at the Meeting, and if confirmed or confirmed as amended, the Advance Notice By-Law will continue in effect in the form in which it is so confirmed. If Shareholders reject the confirmation of the Advance Notice By-Law, it will cease to have effect as of the date of the Meeting (and not retroactively).

The provisions of the Advance Notice By-Law require advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by Shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the ABCA, or (ii) a Shareholder proposal made pursuant to the provisions of the ABCA.

The provisions of the Advance Notice By-Law facilitate an orderly and efficient director nomination process and ensure that all Shareholders, including those participating in a meeting by proxy, receive adequate notice of director nominations with sufficient information with respect to all nominees so that the proposed nominees' qualifications and suitability as directors can be evaluated and an informed vote can be cast for the election of directors.

The Advance Notice By-Law fixes a deadline by which holders of record of Common Shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders where directors are to be elected and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be valid. In the case of an annual meeting of Shareholders, the deadline for notice of a Shareholder's director nomination is not less than thirty (30) days and not more than sixty-five (65) days prior to the meeting; provided, however, if notice of an annual Shareholders' meeting is given less than fifty (50) days prior to the meeting date, Shareholders must provide notice of their director nominations by close of business on the tenth day following the first public announcement of the meeting. In the case of a special meeting (which is not also an annual meeting) called for the purpose of electing directors, Shareholders must provide notice of their director nominations by close of business on the fifteenth day following the first public announcement of the special Shareholders' meeting. The deadlines in the Advance Notice By-Law are supported by Institutional Shareholder Services Inc.

The full text of the Advance Notice By-Law is attached as Appendix **[H]** to this Information Circular.

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass the following resolution:

"BE IT RESOLVED THAT:

1. The advance notice by-law of the Corporation, substantially in the form set out in Appendix **[H]** to the Information Circular of the Corporation dated August 13, 2014, is hereby confirmed without amendment as a by-law of the Corporation; and
2. Any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy thereon at the Meeting. **The Board recommends that Shareholders vote FOR the resolution confirming the adoption the Advance Notice By-Law.** In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

Approval of Continuation of Shareholder Rights Plan

At the Meeting, Shareholders will be asked to extend the Corporation's shareholder rights plan. The Corporation's original shareholder rights plan was implemented under a shareholder rights agreement dated August 9, 1999 between the Corporation and Montreal Trust Corporation of Canada (the "**Original Rights Plan**"). At the annual and special meeting of Shareholders held on September 21, 2011, the continued existence of the Original Rights Plan was approved by the Shareholders (the "**2011 Rights Plan**") and an amended and restated shareholder rights plan agreement dated August 17, 2011 (the "**Rights Agreement**") was executed.

The Corporation has reviewed the 2011 Rights Plan for conformity with current practices of Canadian companies with respect to shareholder rights plan design. The Corporation has determined that, since September 2011, there have been few, if any, changes in those practices. As a result, on August 13, 2014, the Board resolved to continue the 2011 Rights Plan and amend the Rights Agreement to continue the 2011 Rights Plan for another three years, subject to regulatory and Shareholder approval.

Shareholders or any other interested party may obtain a copy of the Rights Agreement by accessing the Corporation's publicly filed documents on SEDAR at www.sedar.com. All capitalized terms used in this section but not defined elsewhere in this Information Circular shall have the meanings ascribed thereto in the 2011 Rights Plan.

The primary objectives of the 2011 Rights Plan are to ensure that, in the context of a bid for control of the Corporation through an acquisition of the Common Shares, the Board has sufficient time to explore and develop alternatives for maximizing Shareholder value, to provide adequate time for competing bids to emerge, to ensure that every Shareholder has an equal opportunity to participate in such a bid and to give every Shareholder adequate time to properly assess the bid and lessen the pressure to tender typically encountered by a Shareholder of a Corporation that is subject to a bid.

It is not the intention of the Board in maintaining a shareholder rights plan for the Corporation to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Corporation in a transaction that is fair and in the best interest of Shareholders. For example, through the Permitted Bid mechanism, Shareholders may tender to a bid that meets the Permitted Bid criteria without triggering the 2011 Rights Plan, regardless of the acceptability of the bid to the Board. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board will continue to be bound to consider fully and fairly any bid for the Common Shares in any exercise of its discretion to waive the application of the 2011 Rights Plan or redeem the Rights. In all such circumstances, the Board must act honestly and in good faith with a view to the best interests of the Corporation and the Shareholders.

In approving the continuance of the 2011 Rights Plan, the Board considered the following concerns inherent in the existing legislative framework governing take-over bids in Canada:

- (1) **Time.** Current legislation permits a take-over bid to expire in thirty five (35) days. The Board of Directors is of the view that thirty five (35) days may not be sufficient time to permit Shareholders to consider a take-over bid and to make a reasoned and unhurried decision. The 2011 Rights Plan provides a mechanism whereby the minimum expiry period for a take-over Bid must be forty five (45) days after the date of the bid and the bid must remain open for a further period of ten (10) business days after the Offeror publicly announces that the shares deposited or tendered and not withdrawn constitute more than fifty (50) percent of the Common Shares outstanding held by Independent Shareholders. The 2011 Rights Plan is intended to provide Shareholders with adequate time to properly evaluate the offer and to provide the Board with sufficient time to explore and develop alternatives for maximizing Shareholder value. Those alternatives could include, if deemed appropriate by the Board, the identification of other potential bidders, the conducting of an orderly auction or the development of a corporate restructuring alternative that could enhance Shareholder value.
- (2) **Pressure to Tender.** A Shareholder may feel compelled to tender to a bid that the Shareholder considers to be inadequate out of a concern that failing to tender may result in the Shareholder being left with illiquid or minority discounted shares in the Corporation. This is particularly so in the case of a partial bid, where the bidder wishes to obtain a control position but does not wish to acquire all of the Common Shares. The 2011 Rights Plan provides a Shareholder approval mechanism in the Permitted Bid provision which is intended to ensure that a Shareholder can separate the tender decision from the approval or disapproval of a particular take-over bid. By requiring that a bid remain open for acceptance for a further ten (10) Business Days following public announcement that more than fifty (50) percent of the Common Shares held by Independent Shareholders have been deposited, a Shareholder's decision to accept a bid is separated from the decision to tender, lessening the undue pressure to tender typically encountered by a Shareholder of a Corporation that is the subject of a take-over bid.
- (3) **Unequal Treatment.** While existing securities legislation has substantially addressed many concerns of unequal treatment, there remains the possibility that control of a Corporation may be acquired pursuant to a private agreement in which a small group of Shareholders dispose of shares at a premium to market price which premium is not shared with other Shareholders. In addition, a person may slowly accumulate shares through stock exchange acquisitions, which may result, over time, in an acquisition of control without payment of fair value for control or a fair sharing of a control premium among all Shareholders. The 2011 Rights Plan addresses these concerns by applying to all acquisitions of greater than twenty (20) percent of the Common Shares, to better ensure that Shareholders receive equal treatment.

Pursuant to the terms of the Rights Agreement, the 2011 Rights Plan will expire upon the termination of the Meeting unless the Rights Agreement is amended to extend its expiry time. The Board has determined it appropriate and in the best interests of Shareholders that the Rights Agreement be amended to continue the 2011 Rights Plan for another three years. It is proposed that the Rights Agreement be amended to extend the term of the Rights Plan until the termination of the annual meeting of Shareholders of the Corporation in 2017. The Board's authorization of the amendment of the 2011 Rights Plan was not in response to or in anticipation of any pending or threatened takeover bid. Accordingly, the Board unanimously recommends that Shareholders vote for the resolution approving the extension of the term of the Rights Agreement.

The text of the resolution to be considered at the Meeting is set forth below. In addition to approving the foregoing amendment, the resolution also approves any other amendments to the Rights Agreement to respond to any requirements which may be raised by any stock exchange or professional commentators on shareholder rights plans in order to conform the Rights Agreement to the prevalent versions of shareholder rights plans for reporting issuers in Canada. The Corporation believes that the Rights Agreement is consistent with the form of rights plans now prevalent for public corporations in Canada and does not anticipate that any such further amendments will be required, but the resolution provides the Corporation with the necessary authority to make any such amendments should the need arise.

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass the following resolution:

"BE IT RESOLVED THAT:

1. The term of the Shareholder Rights Plan Agreement between the Corporation and Computershare Trust Company of Canada (the "**Rights Agreement**") be extended until the termination of the annual meeting of Shareholders in 2017 and the Rights Agreement be amended to give effect to such extension;
2. The making on or after the date hereof of any other amendments to the Rights Agreement as the Corporation may consider necessary or advisable to satisfy the requirements of any stock exchange or professional commentators on shareholder rights plans in order to conform the Rights Agreement to versions of shareholder rights plans prevalent for reporting issuers in Canada is hereby approved; and
3. Any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

In accordance with the terms of the Rights Agreement and the rules of the TSX, the foregoing resolution must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy thereon at the Meeting as well as by a simple majority of the votes cast by Independent Shareholders (as defined in the 2011 Rights Plan) who vote in person or by proxy thereon at the Meeting. The Corporation is not aware of any Shareholder who is not an Independent Shareholder. **The Board recommends that Shareholders vote FOR the resolution approving the extension of the term of the Rights Agreement.** In the absence of contrary directions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the resolution as set out above.

If the Rights Plan Resolution is passed at the Meeting, then the 2011 Rights Plan will be in effect until the third anniversary of the annual meeting of Shareholders of the Corporation after the Meeting. If the Rights Plan Resolution is not passed at the Meeting, the 2011 Rights Plan will become void and of no further force and effect, all outstanding Rights will be redeemed and the Corporation will no longer have any form of shareholder rights plan.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Committee

The Compensation Committee of the Board (the "**Compensation Committee**"), which is comprised of Wendell W. Robinson (Chairman), C. J. (Jim) Cummings, Conrad P. Kathol, and Norman M.K. Louie, is responsible for reviewing executive compensation matters and making recommendations to the Board for its approval. Each Compensation Committee member is independent. Each member has been serving on the Compensation Committee for a number of years, except for Mr. Louie. During Mr. Robinson's fifty-one (51) years of domestic and international financial, investment and company management, Mr. Robinson has been the director of numerous corporations, and a member of investment advisory boards and committees of investment entities throughout Southeast Asia, Europe, Latin America and the United States. In certain investment entities managed by Mr. Robinson that held a controlling interest in public and private companies, he served as a director and Chairman, with compensation responsibility and authority for executive officers. In addition, for many other companies in which the investment entities held controlling interests, Mr. Robinson was involved in recruitment of executive managers and in director oversight of compensation arrangements, practices and issues for such companies. Mr. Cummings, having served as General Counsel for three (3) sub-major public energy companies, and currently a director of some private entities, has been actively engaged in executive compensation agreements, practices and issues. Mr. Kathol, as a long-standing Board member since 1996, has been directly involved in the evolutionary development of the Corporation's management and the growing professionalization of the Corporation's compensation practices throughout that period. Mr. Kathol has participated in compensation issues as a director of several publicly traded resource companies over the twenty-seven (27) years of his career in the industry. Mr. Louie is actively involved in the financial services sector and has past experience on special situations investing. The Compensation Committee Mandate (which is attached hereto as **Appendix B**) describes the responsibilities, powers and operation of the Compensation Committee.

Compensation Discussion

As a result of the significant reserve write-down at the end of Fiscal 2012 and associated production declines in the Corporation's main producing assets the Corporation entered into a period of financial difficulties, which required substantial adjustments to its prior strategic focus and operating condition. These circumstances had a direct impact on the Corporation's compensation policies and practices. A decision was made by the Board, following recommendations made by the Compensation Committee, to freeze all salaries and suspend bonus considerations for calendar 2012. This decision was extended for a second year through calendar 2013. Toward the end of calendar 2013, it was determined that the Corporation needed to be restructured and to focus its resources on further developing and exploiting its non-operator assets in the D6 Block in India and Block 9 in Bangladesh, and to cease its operating exploration efforts in Indonesia and Trinidad.

As a result of this new direction, the immediate determining factor for compensation policy and practice became centered on absolute amounts that were needed to be paid to retain key management, professional personnel and staff for the furtherance of restructuring efforts. The practical effect of this was that the most meaningful metric was the then existing amount of annual salary being paid and the fact that salary adjustments and bonus payment had been suspended for the entire prior two (2) year period. The Compensation Committee's historical practice of the use of independent industry benchmark surveys and comparable company payment statistics for comparative analysis was no longer directly applicable for the Corporation's current purposes. A general review of industry data did indicate that the changes in industry compensation had not been dramatic during this two (2) year suspended period.

Additionally, in those instances where new hires were required for specialized expertise and experience not then present within the Corporation, the determining factor became the amount necessary to retain such specialized talent from the competitive market place. The primary arrangement for obtaining such specialty talent is the use of consultants under fixed terms, conditions and compensation.

With the closing of the financing and reorganization of the Corporation's balance sheet in December 2013, and given the lack of salary increase for the preceding two (2) year period, the Compensation Committee recommended and the Board approved a general salary increase of five (5) percent as of January 1, 2014.

Additionally, to ensure the retention of competent staff, and to incentivize the continuing dedication of effort, the Compensation Committee recommended and the Board approved a new special bonus plan (the "**Amended Bonus Plan**") effective January 1, 2014 for all employees and full-time consultants for calendar 2014. Unlike previous bonus plans that were determined by fiscal year it was decided that the Amended Bonus Plan would be grouped into semi-annual segments of calendar 2014. The purpose of this breakdown was to focus concerted attention to specific goals needed to be addressed within the ongoing restructuring efforts of the Corporation during these two (2) critical six (6) month periods. The benchmark for possible bonus award was the amount of salary paid for the January 1 – June 30 period of 2014. The potential amount each individual could earn was based on an applied percentage of the amount of salary paid for the six (6) month period as follows:

Position	Maximum Bonus
President	100 percent of six (6) month salary
Chief Operating Officer	100 percent of six (6) month salary
Chief Financial Officer	75 percent of six (6) month salary
Corporate General Counsel	75 percent of prorated six (6) month salary
All other employees and consultants	50 percent of six (6) month salary

The amended bonus plan is based on four (4) primary objectives as listed below, each with a weighting factor percentage of the total possible amount of one-hundred (100) percent. The weighting varies by position and is dependent on accountability and responsibility for each objective assigned to specific management team members.

- Conserving cash - Through constricting expenditures, decreasing or eliminating of exploration commitments in potential farm-out, and/or sales of exploration rights, and successful negotiations and restructuring of trade payables (40 percent weighting)
- Maximizing the value of core assets (25 percent weighting)
- Organization structure and management of plan execution (25 percent weighting)
- Creation of options and upside - Successfully executed or factored into actions going forward (10 percent weighting)

In evaluating performance the Compensation Committee recognized the efforts of the entire organization in commitment to the achievement of the stated objectives in the stressful environment in which they were operating. While most of the goals were not yet fully achieved conclusively during the period, they were moved forward toward conclusion in an effective manner without irreversible failure. No bonuses were earned or paid out in Fiscal 2014. Subsequent to Fiscal 2014, the Board approved a general award of fifty (50) percent of the possible allocation and awarded special additional bonus allotments for five (5) individuals. Payout of fifty (50) percent was subject to positive and negative adjustments for specific management team member performance. Potential bonus relating to July 1 to December 31, 2014 will be determined by the Board and payable in Fiscal 2015.

Overview of Executive Compensation

The named executive officers (the "**Named Executive Officers**") of the Corporation for the year ended March 31, 2014 include the President (who is presently fulfilling the role of Chief Executive Officer), the Chief Financial Officer, the Chief Operating Officer and the former Chairman, President and Chief Executive Officer of the Corporation. During the year ended March 31, 2014, two individuals fulfilled the role of Chief Executive Officer. Mr. Edward Sampson served as Chairman, President and Chief Executive Officer until his retirement on December 31, 2013. Effective January 1, 2014, Mr. Frederic F. (Jake) Brace replaced Mr. Sampson as President. In this Information Circular, Mr. Sampson is referred to as the former Chief Executive Officer and Mr. Brace is referred to as the President. The compensation of the Named Executive Officers is determined solely by the Compensation Committee. The compensation awarded to, earned by, paid to or payable to the Named Executive Officers for the financial year ended March 31, 2014 included base salary, performance-based cash bonuses and stock options.

The Corporation does not provide longer-term fixed cash cost compensation such as retirement plans, medical plans, savings benefit plans, insurance policies or plans, deferred compensation arrangements or stock appreciation or phantom stock option rights.

The compensation elements are described below:

Base Salary	
Type	Fixed.
Timing	Approved by the Board at the beginning of each calendar year.
Objective	To provide a competitive level of fixed compensation to attract and retain professional executives and managers. Base salary is designed to ensure the exercise of the required technical expertise necessary for the successful daily operation of the Corporation's activities.
How amount is determined	For the fiscal year of 2014, a review is performed by the Compensation Committee and salary increases are recommended by the Board based on existing salaries being paid and the fact that salary adjustments and bonus payments had been suspended for the prior two (2) years.
How element fits Corporation's objectives and decisions concerning other elements	The desire is for the base salary to be high enough to secure technically talented personnel which, when coupled with performance based compensation, provides for a direct correlation between individual accomplishment and the success of the Corporation as a whole.

Prior to January 1, 2014 the performance-based cash bonus (the "**Bonus Plan**") was structured under certain objectives and performance metrics. No bonuses were earned or paid for the period of April 1, 2013 to December 31, 2013 for Named Executive Officers under this bonus plan in Fiscal 2014. Effective January 1, 2014, the bonus plan was amended (the "**Bonus Plan Amended**") as a result the Corporation's restructuring efforts and shift in objectives. No bonuses were earned or paid for the period of January 1, 2014 to March 31, 2014 under the amended bonus plan. The two bonus plans are described as follows:

Bonus Plan (In effect from April 1, 2013 to December 31, 2013)	
Type	At-risk.
Timing	Compensation is paid annually based upon definable and determinable actions and activities within ten (10) defined management parameters and operating practices and stock performance relative to asset class. Timing of performance is based on the fiscal year.
Objective	The objective of the Bonus Plan is to emphasize continuous dedicated attention to a list of fundamental management parameters and operating practices deemed to be essential in keeping the Corporation on track toward the achievement of its strategic objective to successfully execute and operate significant impact projects.
How amount is determined	The aggregate amount of the bonus pool is equal to the aggregate annual base salary of all Corporation participants in the pool. There are two (2) types of performance metrics: a twenty (20) percent weighting based on the performance of the Common Shares for the fiscal year and an eighty (80) percent weighting based upon a qualitative analysis and evaluation of management and employee performance in regard to ten (10) operating practices. At the fiscal year-end, the Named Executive Officers provide their evaluation of performance and the Compensation Committee conducts its independent evaluation. The two groups then compare and discuss the assessments to agree on a total pool percentage award of between zero (0) percent and one hundred (100) percent, which is recommended to the Board for approval. Potential individual benefits are related to base salary and length of service, with a potential bonus of fifty (50) percent of salary for non-executive personnel and seventy five (75) percent to one hundred (100) percent of salary for senior executives. In special circumstances, for the recognition of superior exemplary performance, an individual may receive a bonus of up to one hundred and fifty (150) percent of salary.
How element fits Corporation's objectives and decisions concerning other elements	The categories for consideration of performance are Corporation-wide and benefits are shared by all levels of the Corporation's salaried personnel to encourage cooperation and mutual support and to recognize that strong performance by all employees is necessary for the Corporation to succeed in the attainment of its strategic goals.

Bonus Plan Amended (In effect from January 1, 2014 onwards)	
Type	At-risk.
Timing	Compensation is paid on a semi-annually based on periods from (i) January to June (ii) July to December. Amounts are approved by the Board at the end of each period. The timing of performance is based on the semi-annual periods.
Objective	The objective of the Bonus Plan is to emphasize continuous dedicated attention to Corporation's strategic focus comprising of the four (4) categories listed below, and including the accountability and responsibility for each objective assigned to specific management team members: <ul style="list-style-type: none"> • Maximizing value of core assets • Conserving cash • Organization structure and management of plan execution • Creation of options and upside
How amount is determined	The Corporation determines the bonus payout amount based on the performance of the Corporation and whether the four (4) specific focused objectives listed above are met successfully. Positive and negative adjustments can be made for specific management team members based on individual performance.
How element fits Corporation's objectives and decisions concerning other elements	The categories for consideration of performance are Corporation-wide and benefits are shared by all levels of the Corporation's salaried personnel to encourage cooperation and mutual support and to recognize that strong performance by all employees is necessary for the Corporation to succeed in the attainment of its strategic goals.

Option Plan	
Type	At-risk.
Timing	Typically, a base number of Options is assigned to each employee at the beginning of their employment. One third of the total number of options awarded vests on commencement of employment, and balance vests on the following two (2) anniversaries of their employment. New options are granted upon expiry of each option tranche, subject to Board approval.
Objective	The primary objective of the Option Plan is to directly relate the creation of net worth for employees to the investment results of the Shareholders over the long term.
How amount is determined	The number of Options issuable under the Option Plan is limited to no more than ten (10) percent of the outstanding Common Shares. The number of Options issued to each employee is determined based upon the employee's position within the Corporation's organizational structure, the responsibility of the employee and his/her potential to impact Corporation results over time.
How element fits Corporation's objectives and decisions concerning other elements	The Options vest one to two (1-2) years from the grant date in order to build long-term employee loyalty and retention. The employee will only benefit from this compensation in the event that share value increases over time and they continue to be employed by the Corporation.

The individual number of Options granted to each employee is based upon the work function the employee performs within the Corporation and the employee's relative ability to impact the desired result. A base number of Options is determined for each new employee that participates in the Option Plan, and nearly all employees participate in the Option Plan. Upon each expiry date of Options, an equal number of new Options are granted. This renewal grant process continues as long as the person remains an employee, or until the program is changed. As employees gain more stature and responsibility within the Corporation or are given increased responsibility or status, the number of Options granted may be altered and the base number increased. See "Option Plan" below.

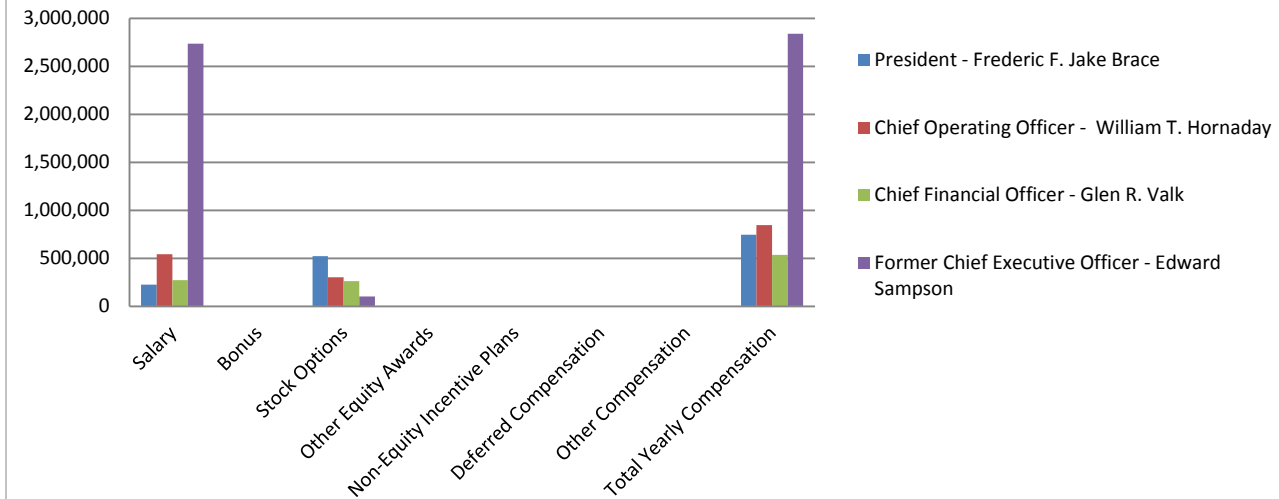
The Corporation believes that the compensation provided through base salary is sufficient to obtain and retain employees for performance of their respective roles and reward them for their capabilities. The other two (2) compensation elements that are at-risk and are dependent upon the performance of the Corporation. If the Corporation does not perform within expected parameters in the short or long-term, the executive and professional employees may receive nothing with respect to their at-risk compensation.

The Compensation Committee considers the implications of the risks associated with the Corporation's compensation policies and practices outlined above. The Compensation Committee and the Board recognize that the Corporation's long-term strategic business philosophy to commit significant resources to finding, developing and producing exploration opportunities with high impact potential is one which in its nature carries the typical exploration risks inherent in the industry in which the Corporation operates. The Bonus Plan, Amended Bonus Plan and the Option Plan are compensation methods which are dependent primarily on Corporation-wide, not any singular individual's, results. The Board and the Compensation Committee believe that the "shared common result" characteristic of its compensation method properly places the incentives for cost and risk reduction throughout its entire management and employee structure. The employment agreements for certain management and employees specify the calculation of the amount of compensation in the event of a change of control. See "Termination and Change of Control Benefits" below. Otherwise, in the normal course of business, the Compensation Committee, in conjunction with the Board, has the ability to amend the base salary, bonus and grants of Options in the future. The Compensation Committee reviews the continued appropriateness of the compensation program on an annual basis. The Chair of the Compensation Committee will be available to answer questions relating to the Corporation's executive compensation matters at the Meeting.

The Corporation has a policy that directors and officers of the Corporation may not purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars and units of exchange funds that are designed to hedge or offset a decrease in market value. In this manner, the at-risk shareholdings are preserved.

The table below summarizes the total compensation earned and paid to Named Executive Officers of the Corporation in Fiscal 2014:

Summary Compensation for Fiscal 2014



Notes:

- (1) Effective January 1, 2014, Mr. Brace replaced Mr. Sampson as President. Prior thereto, Mr. Brace was a Senior Advisor to Niko. The total consulting fees paid to Mr. Brace during his period as a Senior Advisor was \$475,000 and \$225,000 as President for an aggregated total of \$700,000 in fiscal 2014. Refer to "Statement of Executive Compensation - Consulting Agreement" section for details.
- (2) Mr. Sampson retired from his position as Chairman, President and Chief Executive Officer on December 31, 2013. Compensation amount for Mr. Sampson includes his retirement arrangements.
- (3) The average exchange rate for Fiscal 2014 of US\$0.95 per approximately CAD\$1.00 has been used to calculate the US Dollar values in the above table.

Option Plan

The allocation of Options and the terms of those Options are an integral component of the compensation package of the directors, officers and employees of, and consultants to, the Corporation (collectively, "**Participants**"). The Corporation has the Option Plan in place for the purpose of providing Options to Participants. The objective of the grant of Options to Participants is to allow them to share ownership of the Corporation and to motivate achievement of the Corporation's long-term strategic objectives and ultimately benefit all Shareholders. The Option Plan also rewards long-term service to the Corporation.

As at August 13, 2014, an aggregate of 3,374,904 Common Shares are issuable upon the exercise of Options previously granted under the Option Plan (representing approximately 3.59% of the currently outstanding Common Shares).

All Options are awarded to employees, including the Named Executive Officers of the Corporation by the Board based upon the descriptions provided under the "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation". For Option awards to employees other than the Named Executive Officers, the Compensation Committee primarily relies upon the recommendation of the Named Executive Officers, who base their decisions upon the relative level of responsibility and contribution of the individuals toward the Corporation's objectives and goals. Also, the Compensation Committee considers the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size of such grants. The granting of these specific Options is reviewed by the Compensation Committee for final recommendation to the Board for approval.

Currently, under the Option Plan:

- (a) Options may be issued to directors, officers and employees of, and consultants to, the Corporation and/or its subsidiaries, in such numbers and with such vesting provisions as the Board may determine;
- (b) the number of authorized but unissued Common Shares that may be subject to Options granted under the Plan at any time is ten (10) percent of the number of outstanding Shares from time to time;
- (c) any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Plan;
- (d) the exercise, expiry or cancellation of any Options granted under the Plan will make new grants available under the Plan;

- (e) the exercise price of Options shall be the volume weighted average trading price per Common Share on the TSX for the five trading days prior to the date of determination (the "**Market Price**"), provided that, in the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada or where the Market Price does not, in the opinion of the Board, accurately reflect the market price of the Common Shares, the exercise price of the Options shall be determined by the Board in its sole discretion;
- (f) the term of an Option shall be a period of time fixed by the Board, not to exceed the maximum period of time permitted by the TSX and, unless the Board determines otherwise, the Option shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods and blackout periods) as are contained in the Option Plan or as the Board may from time to time impose or as may be required by the TSX or under applicable securities laws;
- (g) subject to any specific requirements of the TSX, the Board shall determine the vesting period(s) during which a holder of Options may exercise such options or a portion thereof; in certain circumstances, the Board has been granted the discretion to provide for accelerated vesting of Options and in other circumstances there will be automatic acceleration of vesting (as further described below);
- (h) should an Option expire during a blackout period or within nine business days following the expiration of a blackout period, the expiry time of the Option shall be automatically extended without any further act or formality to 4:00 p.m. (Mountain Daylight time) on that date which is the tenth business day after the end of the blackout period (or such other date as may be permitted by the TSX and approved by the Board);
- (i) any grant of Options is subject to the following limitations: (i) the aggregate number of Common Shares reserved for issuance pursuant to Options outstanding at any time may not exceed ten (10) percent of the total number of issued and outstanding Common Shares; (ii) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant and pursuant to other share compensation arrangements may not exceed five (5) percent of the issued and outstanding Common Shares (on a non-diluted basis); (iii) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to insiders and pursuant to other share compensation arrangements may not exceed ten (10) percent of the issued and outstanding Common Shares (on a non-diluted basis); (iv) the issuance of Common Shares to insiders pursuant to the Option Plan and other share compensation arrangements within a one-year period may not exceed ten (10) percent of the outstanding Common Shares (on a non-diluted basis); the aggregate number of Common Shares reserved for issuance pursuant to options granted to directors of the Corporation who are not also employees of the Corporation and under other share compensation arrangements of the Corporation may not exceed one (1) percent of the issued and outstanding Common Shares (on a non-diluted basis); and (v) the issuance of Common Shares to any one insider and such insider's associates within a one-year period pursuant to the Option Plan and other share compensation arrangements may not exceed five (5) percent of the outstanding Common Shares (on a non-diluted basis);
- (j) subject to the terms of the applicable Option agreement, in the event the holder of an Option ceases to be a director, officer or employee of, or a service provider to, the Corporation for any reason other than death or termination for cause, the Option may be exercised up to and including the earlier of the expiry time of the Option and the date that is thirty (30) days following the effective date of the notice of resignation, retirement or termination, as the case may be; in the event of termination for cause of the holder of the Option, the Option will expire and terminate immediately at the time of delivery of the notice of termination; in the event of the death of the holder of the Option, the Option may be exercised up to and including the earlier of the expiry time of the Option and the date that is one (1) year from the date of death;
- (k) Options are non-assignable and non-transferable;
- (l) the Board may, at any time and from time to time, amend, suspend or terminate the Option Plan or an Option without Shareholder approval, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or the consent or deemed consent of a Participant where such amendment, suspension or termination materially prejudices the rights of such Participant; notwithstanding the foregoing: (a) the Board may not, without the approval of the Shareholders, make amendments to the Option Plan or any Option for any of the following purposes: (i) to increase the maximum number of Common Shares allocated and made available to be granted to Participants; (ii) to increase the maximum number of Common Shares that may be reserved for issuance pursuant to Options outstanding at any time; (iii) to reduce the Option price for the benefit of any Participant; (iv) extend the expiry time of an Option for the benefit of any Participant; (v) to permit Options to be transferable or assignable other than for normal estate settlement purposes; and (vi) to amend the provisions of the Option Plan pertaining to its amendment or discontinuance; and (b) the Board may, at any time and from time to time, without the approval of the Shareholders, amend any term of any outstanding Option, provided that: (i) any required approval of any regulatory authority or stock exchange is obtained; (ii) if the amendment would reduce the Option price or expiry time of an Option granted to any Participant, Shareholder approval must be obtained; (iii) the Board would have the authority to initially grant the Option under the terms so amended; and (iv) the consent or deemed consent of the Participant is obtained if the amendment would materially prejudice the rights of the Participant; and

- (m) no financial assistance is provided by the Corporation to Participants to facilitate the purchase of Common Shares upon the exercise of Options.

In addition, under the Option Plan, in the event that certain events such as a liquidation or dissolution of the Corporation or a reorganization, plan of arrangement, merger or consolidation of the Corporation with one or more entities, as a result of which the Corporation is not the surviving entity, are proposed or contemplated, the Board may, notwithstanding the terms of the Option Plan or Option agreements issued thereunder (a) exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time, and (b) in the event of acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal expiry time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Corporation, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the expiry time of such Options.

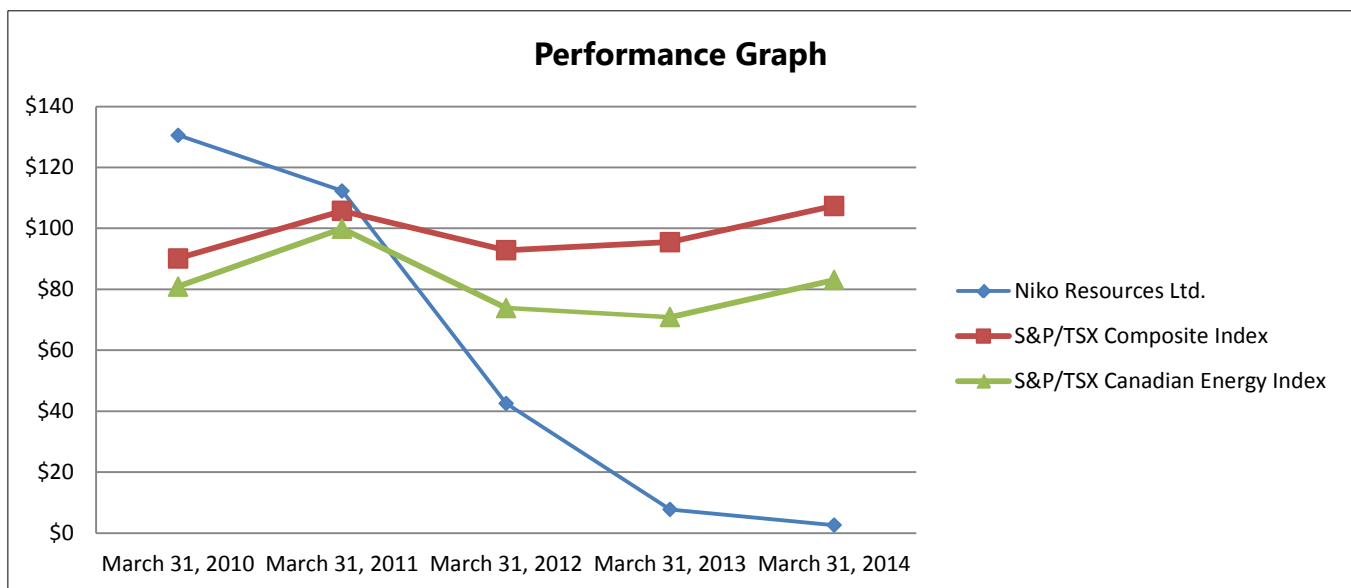
If the Shareholders receive a take-over bid (as defined in the *Securities Act* (Alberta)) pursuant to which the offeror would, as a result of the bid being successful, beneficially own in excess of fifty (50) percent of the outstanding Common Shares, and the Corporation supports such bid, a Participant may exercise its right (the "**Acceleration Right**") to exercise all or any of its outstanding Options. The Acceleration Right commences on the date of mailing of the directors' circular recommending acceptance of the take-over bid and ends on the earlier of (a) the expiry time of the Options, and (b) in the event the take-over bid is unsuccessful, on the expiry date of the take-over bid, and in the event the take-over bid is successful, on the tenth day following the expiry date of the take-over bid.

In circumstances in which accelerated vesting applies under the Option Plan, the Corporation may satisfy any obligations to a Participant thereunder by paying to the Participant in cash the difference between the exercise price of all unexercised Options granted thereunder and the fair market value of the securities to which the Participant would be entitled upon exercise of all unexercised Options.

Effective July 21, 2011, the Board approved amendments to the Option Plan to require Shareholder approval in order to amend the Option Plan to: (a) reduce the exercise price of Options for the benefit of any Participant; (b) extend the expiry time of Options for the benefit of any Participant; and (c) permit Options to be transferable or assignable other than for normal estate settlement purposes. Such amendments were subsequently approved by the TSX but were not submitted to the Shareholders for approval because none of such amendments are prejudicial to the Shareholders.

Performance

The following graph compares the yearly change in the cumulative total shareholder return over the last five (5) years of a CAD\$100 investment in the Common Shares with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Canadian Energy Index, assuming the reinvestment of dividends, where applicable, for the comparable period.



	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
	(CAD\$)	(CAD\$)	(CAD\$)	(CAD\$)	(CAD\$)
Niko Resources Ltd.	131	112	43	8	3
S&P/TSX Composite Index	90	106	93	96	107
S&P/TSX Canadian Energy Index	81	100	74	71	83

Compensation levels for the Named Executive Officers from March 31, 2010 to March 31, 2014 are not consistent with the trend of total return on investment charted for the Corporation in the above performance graph. The Corporation does not base its executive compensation on total return on investment. For a discussion of the criteria upon which the Corporation bases executive compensation, see "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation".

Summary Compensation Table

Summary Named Executive Officers Compensation Table

The following table provides a summary of all direct and indirect compensation paid to Named Executive Officers in the most recently completed financial year for, or in connection with, services provided to the Corporation for the financial years ended March 31, 2014, 2013, and 2012.

Name and principal position	Year ended March 31,	Salary (US\$) ⁽¹⁾	Share-based awards (US\$)	Option-based awards (US\$) ⁽¹⁾⁽⁵⁾	Non-equity incentive plan compensation (US\$) ⁽¹⁾⁽⁵⁾⁽⁶⁾		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans	Long-term incentive plans			
Frederic F. (Jake) Brace ⁽⁷⁾ President	2014	225,000	None	521,108	-	None	None	None	746,108
	2013	-	None	-	-	None	None	None	-
	2012	-	None	-	-	None	None	None	-
Glen R. Valk ⁽³⁾ Vice President, Finance and Chief Financial Officer	2014	272,848	None	263,727	-	None	None	None	536,575
	2013	68,838	None	-	-	None	None	None	68,838
	2012	-	None	-	-	None	None	None	-
Murray E. Hesje ⁽⁴⁾ Vice President, Finance and Chief Financial Officer	2014	-	None	-	-	None	None	None ⁽⁴⁾	-
	2013	313,709	None	387,673	-	None	None	None ⁽⁴⁾	701,382
	2012	391,665	None	1,408,813	185,823	None	None	None	1,986,301
William T. Hornaday Chief Operating Officer	2014	542,812	None	302,681	-	None	None	None ⁽²⁾	845,493
	2013	564,174	None	1,267,594	-	None	None	None	1,831,768
	2012	550,172	None	2,414,943	348,034	None	None	None	3,313,149
Edward S. Sampson ⁽⁸⁾ Former President, Chief Executive Officer, Chairman of the Board and Director	2014	2,736,509	None	104,123	-	None	None	None ⁽²⁾	2,840,632
	2013	781,245	None	2,412,420	-	None	None	None	3,193,665
	2012	761,856	None	3,576,711	481,944	None	None	None	4,820,511

Notes:

- (1) Salary and non-equity incentive plan compensation for all Named Executive Officers other than Mr. Brace is earned and paid in Canadian dollars and the fair values of all option-based awards are calculated in Canadian dollars. The average exchange rate for Fiscal 2014 of US\$0.95 per approximately CAD\$1.00 has been used to calculate the US Dollar values in the above table for 2014. The average exchange rate for the year ended March 31, 2013 of US\$0.99 per CAD\$1.00 has been used to calculate the US Dollar values in the above table for 2013. The average exchange rate for the year ended March 31, 2012 of US\$1.01 per CAD\$1.00 has been used to calculate the US Dollar values in the above table for 2012.
- (2) Mr. Sampson and Mr. Hornaday did not receive compensation with respect to their roles as directors.
- (3) Mr. Valk was appointed as Chief Financial Officer effective January 1, 2013. For August to December 2012, Mr. Valk served as Treasurer of the Corporation and the actual value of compensation paid out to Mr. Valk for his position as Treasurer during fiscal 2013 was \$175,137 and the fair value of option-based awards granted during this period was \$315,924.
- (4) Mr. Hesje held the position of Chief Financial Officer until December 31, 2012. For the period from January 2013 to September 2013, Mr. Hesje served as an advisor to the Board and management of the Corporation, after which he was elected as a director of the Corporation. The actual value of compensation earned by Mr. Hesje for his position as advisor was \$12,483 for fiscal 2013 and \$110,879

for fiscal 2014 and the fair value of option-based awards granted was \$16,667 for fiscal 2013 and \$nil for fiscal 2014. Mr. Hesje's compensation as a director is reflected in "Statement of Executive Compensation - Director Compensation".

- (5) Amounts in this column relate to Options granted under the Option Plan as described earlier in this Information Circular. The Corporation uses a modified Black-Scholes-Merton option-pricing model to calculate the grant date fair value of option-based awards. It is based on the Black-Scholes-Merton option-pricing model and modified to consider expected annual dividends per share. The Corporation chose this methodology because it was the most commonly used methodology for valuing options at the time it was implemented. The assumptions and estimates used in the Black-Scholes-Merton model include grant fair value, market price per share, exercise price per option, expected volatility, expected life, expected dividend rate, risk-free interest rate and the expected forfeiture rate. During Fiscal 2014, the key assumptions used to determine the fair value included the following weighted average inputs: volatility rate of 67%, a forfeiture rate of 13%, an interest rate of 1.1%, expected life of 0.6 years and an expected dividend rate of 0%.

During Fiscal 2013, the key assumptions used to determine the fair value included the following weighted average inputs: volatility rate of 71%, a forfeiture rate of 6%, an interest rate of 1.1%, expected life of 2.1 years and an expected dividend rate of 0.1%.

During fiscal 2012, the key assumptions used to determine the fair value included the following weighted average inputs: volatility rate of 44%, a forfeiture rate of 6%, an interest rate of 1.4%, expected life of 3.8 years and an expected dividend rate of 0.5%.

- (6) All amounts in the "Non-equity incentive plan compensation" column relate to bonuses. All amounts were paid during the financial year noted.
- (7) Effective January 1, 2014, Mr. Brace replaced Mr. Sampson as President. Prior thereto, Mr. Brace was a Senior Advisor to Niko. The total consulting fees paid to Mr. Brace during his period as a Senior Advisor was \$475,000 and \$225,000 as President for an aggregated total of \$700,000 in fiscal 2014. Refer to "Statement of Executive Compensation - Consulting Agreement" for details.
- (8) Includes Mr. Sampson's retirement arrangement paid in January 2014. Actual value of total compensation (including retirement arrangement) paid out to Mr. Sampson in Fiscal 2014 was \$2,736,509.

Incentive Plan Awards

Outstanding Option-based Awards

The following tables set forth option-based awards that were outstanding for each Named Executive Officer as at March 31, 2014.

Name	Option expiration date	Option exercise price (CAD\$)	Number of securities underlying unexercised options as at March 31, 2014	Value of unexercised in-the-money options as at March 31, 2014 (US\$) ⁽²⁾⁽³⁾
Frederic F. (Jake) Brace ⁽¹⁾⁽⁴⁾	June 3, 2015	2.56	500,000	-
William T. Hornaday ⁽¹⁾	January 9, 2017	2.38	66,667	-
	December 2, 2016	2.56	8,333	-
	December 2, 2015	8.26	33,333	-
	July 17, 2016	8.33	58,333	-
	September 1, 2014	8.50	133,333	-
	December 8, 2015	8.78	41,666	-
	December 14, 2015	9.36	66,667	-
	May 22, 2016	34.97	6,250	-
	April 30, 2015	39.95	6,250	-
	April 30, 2016	39.95	18,750	-
	December 18, 2015	43.15	18,750	-
	December 2, 2015	49.88	25,000	-
	December 8, 2015	50.35	31,250	-
	April 30, 2014	60.39	25,000	-
	June 28, 2016	63.89	12,500	-
	July 15, 2014	71.13	6,250	-
	May 22, 2016	72.90	6,250	-
	July 15, 2014	80.62	12,500	-
	April 30, 2016	81.70	25,000	-
	December 2, 2014	93.15	25,000	-
	May 22, 2015	98.80	6,250	-
	January 9, 2016	101.79	6,250	-
	June 28, 2015	102.72	12,500	-
Glen R. Valk ⁽¹⁾	January 3, 2016	2.56	50,000	-
	November 29, 2016	2.56	50,000	-
	January 3, 2017	2.56	50,000	-
	January 3, 2018	2.56	50,000	-
	November 29, 2015	8.24	50,000	-

Notes:

- (1) No officers exercised any options during the fiscal year ended March 31, 2014.
- (2) The value of the option-based awards outstanding at March 31, 2014 was calculated based on the weighted average trading price for the five day period prior to March 31, 2014 of CAD\$1.99.
- (3) The value of unexercised in-the-money options in the above table was converted to US Dollars using the March 31, 2014 exchange rate of US\$0.95 per approximately CAD\$1.00. As at March 31, 2014, all Options were out-of-the-money.
- (4) Effective January 1, 2014, Mr. Brace replaced Mr. Sampson as President. Refer to "Statement of Executive Compensation - Consulting Agreement".
- (5) Effective December 31, 2013, Mr. Sampson retired from his position as President and Chief Executive Officer. Mr. Sampson's options were forfeited.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value of options vested and non-equity incentive plan compensation earned during the year ended March 31, 2014 by the Named Executive Officers.

Name	Option-based awards – Number of Options vested during the year	Option-based awards – Value vested during the year (US\$) ⁽¹⁾⁽³⁾⁽⁴⁾	Non-equity incentive plan compensation – Value earned during the year (US\$) ⁽²⁾⁽³⁾
Frederic F. (Jake) Brace ⁽⁵⁾	-	-	-
Glen R. Valk	50,000	-	-
William T. Hornaday	202,083	-	-
Edward S. Sampson ⁽⁶⁾	401,042	-	-

Notes:

- (1) The value of option-based awards vested during the year is the aggregate dollar value that would have been realized if the options constituting the option-based awards had been exercised on their vesting dates and was calculated based on the difference between the closing market price of the underlying securities on the applicable vesting date and the exercise price of the in-the-money options on such vesting date.
- (2) All non-equity incentive plan compensation referred to in this section relates to cash payments made under the Corporation's bonus plan, as described earlier in this Information Circular.
- (3) The values of option-based awards vested during the year and non-equity incentive plan compensation earned during the year in the above table were converted to US Dollars using the average rate for the year ended March 31, 2014 of approximately US\$0.95 per CAD\$1.00.
- (4) As at March 31, 2014, all options were out-of-the-money.
- (5) Effective January 1, 2014, Mr. Brace replaced Mr. Sampson as President. Refer to "Statement of Executive Compensation - Consulting Agreement" for details.
- (6) Effective December 31, 2013, Mr. Sampson retired from his position as President and Chief Executive Officer. Mr. Sampson's options were forfeited.

Consulting Agreement

In August 2013, the Corporation entered into a consulting agreement for the services to be provided by Frederic F. (Jake) Brace as Senior Advisor to the Corporation from August 1, 2013 to October 31, 2013. The agreement was further amended to revise the terms of compensation under the original agreement and a subsequent agreement was entered into for the period from November 1, 2013 to December 31, 2013. The terms of agreements included monthly payments of ninety-five thousand dollars (\$95,000), exclusive of any applicable goods and services or other taxes and paid in advance of the month to which each payment corresponds to.

When the Board appointed Frederic F. (Jake) Brace as President effective January 1, 2014, the Corporation entered into a new consulting agreement for the services to be provided by Mr. Brace (the "Consultant").

The terms of agreement include:

- a) Services to be provided by the Consultant include, but are not limited to, assessing strategic and tactical options related to its current capital structure, restructuring certain contracts and spending commitments and assessing the strategic implications of the Corporation's operational issues arising therefrom.
- b) The term of the agreement commences January 1, 2014 and terminates on October 31, 2015. From January 1, 2014 to October 2014 (the "initial period"), the Consultant shall not take on any significant day to day active work for any other person or corporation, and shall not serve on any outside Boards or hold any other offices (other than those previously disclosed and approved by the

Corporation) without prior written approval of the Board of Directors. From November 2014 until October 2015 (the "extended period"), the Consultant shall provide services to the Corporation on a part-time, as needed basis.

- c) For the initial period, the Consultant is entitled to twelve consecutive monthly payments of seventy-five thousand dollars (\$75,000), less withholdings required by law, and for the extended period, twelve consecutive monthly payments of forty thousand dollars (\$40,000), less withholdings required by law.
- d) A grant of five hundred thousand (500,000) options to purchase Common Shares of the Corporation at an exercise price equal to market price on the date when options are issued. The options shall expire if not exercised within one (1) year from the date of vesting or if otherwise terminated in accordance with the Stock Option Plan of the Corporation.
- e) The Consultant shall be eligible to participate in a performance based bonus plan or such other bonuses or plans as the Board of Directors may create, implement or adopt upon their discretion.
- f) No additional compensation shall be provided to the Consultant for performance of the services other than outlined, including but not limited to any form of short term and long term incentive compensation, vacation pay, equity or bonus awards, pension benefits, employment-related benefits and perquisites.
- g) The Consultant shall report to the Board of Directors and agree to keep the Board informed with respect to the services.
- h) In the event the agreement is terminated pursuant to events listed in the agreement:
 - i. during the initial period, the Consultant shall be paid the balance of the amount owing under the initial period of the agreement, provided however that if there are less than three (3) months left in the initial period, the Corporation shall pay a payment equal to two hundred twenty-five thousand (\$225,000).
 - ii. During the extended period, the Corporation shall pay a payment equal to one hundred twenty thousand (\$120,000).

Termination and Change of Control Benefits

The Corporation does not provide termination benefits to any of its employees, except as required by law. In the event a Named Executive Officer is terminated or ceases to be employed by the Corporation, the Corporation shall pay to the individual, within five (5) business days following the date of termination, the amount of unpaid annual salary owing up to and including the date of termination, any bonus declared but not yet paid, and all outstanding vacation pay and expense reimbursements (in each case less applicable withholdings and deductions). In addition, any unvested Options are forfeited and the employee has thirty (30) days from the date of ceasing employment to exercise any vested Options.

The Corporation has an employment agreement with each Named Executive Officer, other than Mr. Brace (see "Statement of Executive Compensation - Consulting Agreement"), that provides for payments in the event of a "change of control" of the Corporation. The definition of "change of control" in these agreements includes (1) a change in ownership of Common Shares which results in a person or group of persons acting jointly or in concert (or their affiliates or associates) being in a position to exercise effective control of the Corporation (which shall be deemed to include ownership or control of in excess of fifty (50) percent of the Common Shares) and (2) the sale, lease or transfer of all or substantially all of the assets of the Corporation.

In certain circumstances, when a change of control of the Corporation occurs, payments will be made to the Named Executive Officers. These circumstances include: (1) when a Named Executive Officer's employment with the Corporation is subsequently or contemporaneously terminated by the Corporation without cause within twelve (12) months of the date of a change of control event; (2) when a Named Executive Officer does not continue to be employed by the Corporation at a level of responsibility or a level of compensation at least commensurate with the Named Executive Officer's existing level of responsibility and compensation immediately prior to the change of control event and the Named Executive Officer elects in a written notice to the Corporation within twelve (12) months of the date of a change of control event to treat the Named Executive Officer's employment as being terminated as a result of either such reduction; and (3) in the case of the Named Executive Officer, when the Named Executive Officer elects within thirty (30) days of the change of control event not to continue to be employed by the Corporation. In addition, upon the occurrence of a change of control, all outstanding Options will immediately vest and become exercisable upon approval by the Board. Each employment agreement is for a term of five (5) years and is renewed upon expiry.

Each Named Executive Officer has agreed that, concurrent with the receipt of payments under his employment agreement, he will resign from his position with the Corporation and release the Corporation, its directors, officers, employees, agents, insurers, successors and assigns from the obligation to pay any further amounts or benefits to him with respect to his employment or its termination. The payment of any amounts are subject to compliance with certain restrictions in the Named Executive Officer's employment agreement, including no breach of proprietary rights of third parties, non-solicitation and other prohibited actions, non-competition, and confidentiality provisions.

The following table outlines payments that would be made by the Corporation to the Named Executive Officers and the value of option-based awards that would vest in the event of a change of control:

Name	Description of change of control compensation	Change of control compensation (US\$) ⁽¹⁾	Value of outstanding options (US\$) ⁽¹⁾⁽²⁾	Total (US\$) ⁽¹⁾
William T. Hornaday	24 months salary plus the amount of bonus received in the previous year	1,186,290	-	1,186,290
Glen R. Valk	18 months salary plus the amount of the bonus received in the previous year	487,500	-	487,500
Edward S. Sampson ⁽⁴⁾	24 months salary plus the amount of bonus received in the previous year	1,564,500	-	1,564,500

Notes:

- (1) The values of change of control compensation and values of outstanding options as at March 31, 2014 in the above table were converted to US Dollars using the March 31, 2014 exchange rate of US\$0.95 per CAD\$1.00
- (2) The value of the option-based awards outstanding at March 31, 2014 that would vest in the event of a change of control was calculated based on the weighted average trading price for the five day period prior to March 31, 2014 of CAD\$1.99.
- (3) The Corporation also has employment agreements with the independent directors. In the event of a change of control, each independent director of the Corporation will receive an amount equal to CAD\$100,000.
- (4) In December 2013, Mr. Sampson retired from his position as President and Chief Executive Officer. As a consequence thereof, Mr. Sampson was paid \$2,736,509 in Fiscal 2014 which includes payment of his retirement allowance.

Director Compensation

Summary Director Compensation Table

The following table sets forth all amounts of compensation earned by the directors of the Corporation, other than directors who are also Named Executive Officers, for the fiscal year ended March 31, 2014. The compensation of the directors who are also Named Executive Officers, namely, the Chief Executive Officer and the Chief Operating Officer, are included under "Statement of Executive Compensation – Summary Compensation Table".

Name	Fees earned (US\$) ⁽¹⁾	Additional fees earned (US\$) ⁽¹⁾⁽²⁾	Option-based awards (US\$) ⁽¹⁾⁽²⁾	Total (US\$) ⁽¹⁾
C. J. (Jim) Cummings	47,451	8,898	22,340	78,689
Charles S. Lekyum	27,681	-	18,363	46,044
Conrad P. Kathol	47,451	-	20,818	68,269
Murray E. Hesje ⁽³⁾	27,681	-	-	87,180
Norman M.K. Louie	-	-	-	-
Wendell W. Robinson	47,451	44,487	43,192	135,130

Notes:

- (1) Fees are earned and paid in Canadian dollars and the fair values of option-based awards are calculated in Canadian dollars. The average exchange rate for Fiscal 2014 of approximately US\$0.95 per CAD\$1.00 has been used to calculate the US Dollar value in the above table.
- (2) Fees earned include prorated by amount of additional fees earned based on the amended director compensation effective January 1, 2014 as described below under "Fees Earned". Any additional compensation taken in the form of options was granted subsequent to fiscal year-ended March 31, 2014.
- (3) Mr. Hesje did not receive any options during fiscal 2014 since he became a director. Options were subsequently granted to Mr. Hesje in April 2014.

Fees Earned

The Board, through the Compensation Committee, periodically reviews the adequacy and form of compensation of directors. From January 1, 2005 to December 31, 2011, the directors (other than Mr. Sampson and Mr. Hornaday) have been paid CAD\$25,000 per annum as compensation for acting as directors of the Corporation. The amount was increased to CAD\$50,000 per annum on January 1, 2012. The directors are reimbursed for any non-third-party costs that they have paid personally, but only for those costs incurred while acting on behalf of the Corporation. Directors do not receive fees for meeting attendance.

Effective January 1, 2014, the Compensation Committee amended the director fees for their service as follows:

- a) \$50,000 as annual base retainer;
- b) A base grant of options to purchase 50,000 common shares with an exercise price determined in accordance with the Stock Option Plan of the Corporation;
- c) An additional annual \$75,000 retainer for the Independent (non-executive) Chairman;

- d) An additional annual CAD\$75,000 retainer for the Chairmanship of the Restructuring Committee;
- e) An additional annual CAD\$50,000 retainer for the Chairmanship of Committees other than Restructuring;
- f) An additional annual CAD\$25,000 for service on each Committee, where they are not Chairman, over two (2) committees;
- g) For additional compensation set forth in (c), (d), (e), and (f) above, a minimum of twenty-five (25) percent of the compensation shall be in the form of options. The remaining seventy-five (75) percent can be in any combination of options or cash as desired by each recipient director based on an annual election.

Base grant of options under (b) shall vest and become exercisable in accordance with the following schedule:

Number of Stock Options	Date of Vesting	Date of Expiry
One-third to be granted on start date	1 st anniversary date	2 nd anniversary date
One-third to be granted on 1 st anniversary date	2 nd anniversary date	3 rd anniversary date
One-third to be granted on 2 nd anniversary date	3 rd anniversary date	4 th anniversary date

Additional grant of options under (g) shall vest and become exercisable in accordance with the following schedule:

Number of Stock Options	Date of Vesting	Date of Expiry
100 percent to be granted on commencement of the Board term, starting at the later of:	Six months after the later of:	One year after the later of:
(i) the date of the annual general meeting of the Company, or	(i) the date of the previous annual general meeting of the Company, or	(i) the date of the previous annual general meeting of the Company, or
(ii) the start date of the director	(ii) the start date of the director	(ii) the start date of the director

Option-based Awards

All option-based awards referred to in this section relate to Options granted under the Option Plan, as described earlier in this Information Circular. The Corporation uses a Modified Black-Scholes option-pricing model to calculate the grant date fair value of option-based awards. It is based on the Black-Scholes option-pricing model and modified to consider expected annual dividends per share. The Corporation chose this methodology because it was the most commonly used methodology for valuing options at the time it was implemented. The weighted average assumptions used by the Corporation in Fiscal 2014 for the Black-Scholes-Merton option-pricing model with respect to the Options granted to the directors named above were a volatility rate of 67%, a forfeiture rate of 13%, an interest rate of 1.1%, an annual dividend rate of 0% per share and expected life of 0.6 years.

Incentive Plan Awards – Outstanding Option-based Awards

The following option-based awards were outstanding for each director, other than directors who are also Named Executive Officers, as at March 31, 2014. The option-based awards of the directors who are also Named Executive Officers, namely, the President, Chief Executive Officer and Chairman of the Board and the Chief Operating Officer, are included under "Statement of Executive Compensation – Incentive Plan Awards".

Director	Option expiration date	Option exercise price (CAD\$)	Number of securities underlying unexercised options as at March 31, 2014	Value of unexercised in-the-money options as at March 31, 2014(US\$) ⁽²⁾⁽³⁾
C.J. (Jim) Cummings ⁽¹⁾	November 14, 2016	2.56	8,333	-
	December 8, 2016	2.56	8,333	-
	November 30, 2015	8.24	8,333	-
	September 1, 2014	8.50	16,667	-
	December 8, 2015	8.78	8,333	-
	December 8, 2016	50.35	6,250	-
	November 14, 2016	55.36	6,250	-
	December 8, 2015	96.93	6,250	-
	November 14, 2014	97.76	12,500	-
	November 14, 2015	97.76	6,250	-
Charles S. Leykum ⁽¹⁾	September 12, 2015	2.26	16,667	-
Conrad P. Kathol ⁽¹⁾	January 9, 2017	2.38	16,667	-
	November 30, 2015	8.24	8,333	-
	September 1, 2014	8.50	16,667	-
	December 8, 2015	8.78	8,333	-
	December 14, 2015	9.36	16,667	-
	December 8, 2015	50.35	6,250	-
Murray E. Hesje ⁽¹⁾	July 15, 2014	80.62	6,250	-
	July 17, 2016	8.33	16,667	-
	September 1, 2014	8.50	16,667	-

	December 8, 2015	8.78	16,667	-
	July 14, 2015	13.48	12,500	-
	July 14, 2017	13.48	25,000	-
	May 22, 2015	34.97	12,500	-
	December 8, 2015	50.35	12,500	-
	June 28, 2016	63.89	37,500	-
	July 15, 2014	71.13	12,500	-
	May 22, 2016	72.90	12,500	-
Wendell W. Robinson ⁽¹⁾	January 9, 2017	2.38	16,667	-
	December 8, 2016	2.56	8,333	-
	December 18, 2016	2.56	8,333	-
	September 1, 2014	8.50	16,667	-
	December 8, 2015	8.78	8,333	-
	December 14, 2015	9.36	8,333	-
	December 18, 2015	43.15	12,500	-
	December 18, 2016	43.15	6,250	-
	July 15, 2014	80.62	6,250	-

Notes:

- (1) Mr. Cummings, Mr. Hesje, Mr. Kathol, Mr. Leykum, and Mr. Robinson did not exercise any Options during year ended March 31, 2014.
- (2) The value of the option-based awards outstanding at March 31, 2014 was calculated based on the weighted average trading price for the five day period prior to March 31, 2014 of CAD\$1.99. All option-based awards were out-of-the-money as at March 31, 2014.
- (3) The values of unexercised in-the-money options in the above table were converted to US Dollars using the March 31, 2014 exchange rate of US\$0.95 per CAD\$1.00. As at March 31, 2014, all Options were out-of-the-money.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value of options vested or non-equity plan compensation earned during the year ended March 31, 2014 for each incentive plan award to directors of the Corporation who are not also Named Executive Officers. The vested value of option-based awards of the directors who are also Named Executive Officers, namely, the President, Chief Executive Officer and Chairman of the Board and the Chief Operating Officer, are included under "Statement of Executive Compensation – Incentive Plan Awards – Incentive Plan Awards – Value Vested or Earned During the Year".

Name	Option-based awards – Number of Options vested during the year
C. J. (Jim) Cummings	29,167
Conrad P. Kathol	22,917
Charles S. Lekyum	-
Murray E. Hesje	-
Norman M.K. Louie	-
Wendell W. Robinson	22,917

Note:

- (1) The value of option-based awards vested during the year is the aggregate dollar value that would have been realized if the Options constituting the option-based awards had been exercised on their respective vesting dates and was calculated based on the difference between the closing market price of the underlying securities on the applicable vesting date and the exercise price of the in-the-money Options on such vesting date. The values of option-based awards vesting during the year in the above table were converted to US Dollars using the average exchange rate for the year ended March 31, 2014 of US\$0.95 per CAD\$1.00. As at March 31, 2014, all Options were out-of-the-money.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out information with respect to compensation plans under which equity securities of the Corporation were authorized for issuance as at March 31, 2014:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	3,128,188	27.04	9,071,294 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	3,128,188	27.04	9,071,294 ⁽¹⁾

Note:

- (1) This number represents ten (10) percent of the total outstanding Common Shares less the number of Options outstanding as at March 31, 2014. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Comparative Compensation Discussion – Option Plan".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each proposed nominee for election as a director of the Corporation and each associate of the foregoing, has been, at any time, indebted to the Corporation or has indebtedness to another entity that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation (meaning any director or executive officer of the Corporation, any insider of the Corporation, and any director or executive officer of a person or company that is itself an informed person of the Corporation), nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has had any material interest in any transaction or proposed transaction that has materially affected or will materially affect the Corporation or any of its subsidiaries at any time since the beginning of the most recently completed financial year of the Corporation.

CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions, their independence from management and other means of addressing corporate governance practices. National Instrument 58-101 *Disclosure of Corporate Governance Practices* requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

Set out below is a description of the Corporation's current corporate governance practices, relative to Form 58-101F1 requirements (which are set out below in italics).

1. Corporate Governance

Disclose the identity of directors who are independent.

C. J. (Jim) Cummings, Charles S. Leykum, Conrad P. Kathol, Kevin J. Clarke, Norman M.K. Louie, Steven K. Gendel, Stewart Gossen and Wendell W. Robinson (Chairman) are independent, unrelated directors of the Corporation.

Disclose the identity of directors who are not independent, and describe the basis for that determination.

William T. Hornaday is a not independent director as he is an executive officer of the Corporation. Edward S. Sampson, who was not an independent director, retired from his position as President and Chief Executive Officer and was no longer Chairman and director of the Corporation as at January 1, 2014. Murray E. Hesje is not an independent director as he was a former executive officer of the Corporation.

Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.

A majority of the Corporation's directors are independent.

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

No directors of the Corporation are directors of other reporting issuers listed on the TSX.

Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

The independent directors of the Corporation meet regularly without non-independent directors and management at the conclusion of each scheduled Board meeting and whenever they see fit. There were three (3) scheduled and three unscheduled Board meetings held between April 1, 2013 and March 31, 2014 including in-camera meetings.

In addition, the Audit Committee, the Compensation Committee, the Reserve Committee and the Corporate Governance Committee of the Corporation are comprised entirely of independent directors. Meetings of these committees provide a forum for open and candid discussion among the Corporation's independent directors. There were twenty-six (26) committee meetings of the independent directors held between April 1, 2013 and March 31, 2014.

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

Prior to January 1, 2014, the Chairman of the Board was Mr. Sampson who, as an executive officer, was not an independent director. During Mr. Sampson's tenure, the Corporation's independent directors played an important leadership role on the Board and had sufficient influence on Board decisions. Following Mr. Sampson's retirement, effective February 2014, Mr. Robinson became Chairman of the Board, Mr. Robinson is an independent director.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

The director attendance at both Board and committee meetings for the year ended March 31, 2014 is outlined under section "Meeting Attendance" or under "Election of Directors – Nominees – Director Biographies".

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The Board's written mandate is attached as **Appendix A** to this Information Circular.

3. Position Descriptions

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board, in conjunction with the Chairman of the Board, has developed written position descriptions for the Chairman of the Board and for the chair of each Board committee.

Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board, in conjunction with the Chief Executive Officer, has developed a written position description for the Chief Executive Officer. Frederic F. (Jake) Brace holds position as President of the Corporation with a written position description as outlined in his consulting agreement. Refer to "Statement of Executive Compensation - Consulting Agreement" for details.

4. Orientation and Continuing Education

Briefly describe what measure the board takes to orient new directors regarding the role of the board, its committees and its directors and the nature and operation of the issuer's business.

The Corporation has an orientation program for its new directors. The orientation program is designed to build each director's understanding of and identification with the Corporation by:

- providing an introduction to the Corporation, notably through an interview with the Chairman of the Board and other Board members;
- providing presentations on the Corporation's operations in all countries;
- providing an introduction to selected members of the Corporation's team, notably through an interview with the Chairman and management;
- providing an overview of the Corporation's corporate governance practices;
- providing an introduction to governance practices;
- acquainting the directors with the Corporation's Ethics and Anti-Corruption Compliance Program;
- clarifying the expectations of directors, noting that this process will have begun from the initial contact of the director by the Corporate Governance Committee;
- exposing the directors to the Corporation's organizational structure; and
- acquainting directors with the Corporation's annual objectives and ongoing operations.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

The Corporation provides educational information on relevant topics in the form of documents and formal presentations to the Board. The Corporation encourages the directors to enrol in courses and programs that will enhance their knowledge and skills in areas that are relevant to their roles as directors and members of Board committees.

The directors of the Corporation are encouraged to make site visits and participate in an annual strategic planning session. The Corporation places an obligation on its directors to maintain a high level of knowledge of the industry and a high level of professional skills.

5. Ethical Business Conduct

Disclose whether or not the board has adopted a written code for the directors, officers and employees. Disclose how a person or company may obtain a copy of the code. Describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code.

A written Code of Ethics and Business Conduct has been implemented by the Corporation for all directors, officers and employees. A person may obtain a copy of the code by visiting the Corporation's page on SEDAR at www.sedar.com. The Board monitors compliance with the Code through communications with management, reports from the Chief Compliance Officer, reports through the whistleblower policy (as described below) and employee signoff of compliance with the code.

Describe any steps the board takes to ensure directors exercise independent judgment considering transactions and agreements in respect of which a director or executive officer has a material interest.

The directors and officers of the Corporation are required to complete an annual statement of compliance under the Corporation's Code of Ethics and Business Conduct. This ensures directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest. The Board ensures that a director who has a material interest in a transaction or agreement does not participate in discussions if competitive information is being presented or vote on that matter at Board meetings.

Should such a circumstance arise, the matter would be referred to the Audit Committee and the Chairman of the Board for appropriate action.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Corporation is committed to the highest standards of openness, honesty and accountability. To this end, the Corporation has implemented an Ethics and Anti-Corruption Compliance Program based upon three policies governing ethical business practices as follows:

- a Code of Ethics and Business Conduct to provide guidance on the conduct of the Corporation's business in accordance with all applicable laws, rules and regulations and with the highest ethical standards.
- an Anti-Corruption Policy which requires adherence to established standards of business conduct to ensure that the Corporation's business and operations shall be conducted in compliance with the *Corruption of Foreign Public Officials Act* (Canada).
- a Whistleblower Policy to encourage reporting of misconduct and to ensure that concerns regarding questionable business practices can be raised without fear of discrimination, retaliation or harassment. This policy provides an avenue for individuals to confidentially and anonymously report directly to the Board complaints and concerns regarding accounting, internal auditing controls or auditing matters without fear of victimization discrimination or disadvantage.

The Board of Directors reviews compliance with the Code of Ethics and Business Conduct, the Anti-Corruption Policy and the Whistleblower Policy on an annual basis.

The Corporate Governance Committee monitors compliance with the Code of Ethics and Business Conduct, the Anti-Corruption Policy and the Whistleblower Policy.

As required by the Anti-Corruption Policy, the Board has appointed a Chief Compliance Officer. The Chief Compliance Officer oversees the Ethics and Anti-Corruption Compliance Program and reports directly to the Corporate Governance Committee.

The Corporation also has a share trading policy (the "**Share Trading Policy**"). The Share Trading Policy prescribes rules for Restricted Persons and Employees (as such terms are defined in the Share Trading Policy) with respect to trading in securities in the capital of the Corporation by these individuals when there is undisclosed material information or undisclosed pending material developments with respect to the Corporation.

6. Nomination of Directors

Describe the process by which the board identifies new candidates for board nomination.

The Corporate Governance Committee, consisting of a majority of independent directors, considers and recommends candidates to fill new positions on the Board created either by expansion or vacancies created by the resignation, retirement or removal of any of the Corporation's directors.

The Corporate Governance Committee is expanding its evergreen list of director candidates as part of the process of recruiting new directors. A skills matrix of director talents and board requirements is maintained and considered in evaluating potential new candidates.

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board does not have a separate nominating committee; however, the Corporate Governance Committee is charged with the responsibility for handling the nomination process. The Corporate Governance Committee is comprised of a majority of independent directors. The fact that all the members of the Corporate Governance Committee are independent ensures that the nomination process is objective.

7. Compensation

Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Board has created the Compensation Committee to review and approve the compensation for the officers of the Corporation and to ensure that compensation is fair, equitable and consistent with that of its industry peers. The members of the Compensation Committee have diverse professional backgrounds and rely on industry experts to augment their knowledge. The Corporation compensates its executive officers through a base salary, an annual performance based bonus plan and the award of Options. See "Statement of Executive Compensation – Compensation Discussion and Analysis – Overview of Executive Compensation".

The Compensation Committee generally reviews compensation arrangements paid by a number of Canadian public oil and gas companies that either have growth profiles similar to that of Niko, are of similar size and complexity to Niko or have significant international operations.

The Board, through the Compensation Committee, periodically reviews the adequacy and form of compensation of the directors. See "Statement of Executive Compensation – Director Compensation".

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

The Compensation Committee is composed entirely of independent directors.

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The responsibilities, powers and operations of the Compensation Committee are set forth in the mandate of the Compensation Committee, which is attached as **Appendix B** to this Information Circular.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

In addition to the Audit Committee and the Compensation Committee, the Board has a Corporate Governance Committee, a Restructuring Committee and an Environment and Reserves Committee.

The function of the Corporate Governance Committee is set forth in the mandate of the Corporate Governance Committee, which is attached as **Appendix C** to this Information Circular.

The function of the Environment and Reserves Committee is set forth in the mandate of the Environment and Reserves Committee, which is attached as **Appendix D** to this Information Circular.

The function of the Restructuring Committee is set forth in the mandate of the Restructuring Committee, which is attached as **Appendix G** to this Information Circular.

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board uses one assessment tool to evaluate the effectiveness and contribution of the Board, its committees and individual directors. Directors complete an annual Board Effectiveness Questionnaire commenting on Board responsibility, organization, composition, independence from management, operations, effectiveness and performance. The results of the questionnaires are analyzed by the Chairman of the Board together with the Corporate Governance Committee, who then recommend and implement changes to enhance the overall performance of the Board and monitor ongoing progress in any areas identified for improvement.

In addition to the guidelines under NP 58-201, the Corporation has implemented the following policies and procedures:

- Each of the committees of the Board can have no more than one-third of its members be acting chief executive officers of any publicly-traded corporation, partnership, trust or other entity.

- Instead of a Compensation Committee work plan, the Corporation has adopted a mandate for the Compensation Committee and regular meetings are held in order to fulfill the responsibilities outlined in the mandate.

AUDIT COMMITTEE INFORMATION

For information on the charter of the Audit Committee and for the disclosure regarding the Audit Committee required under NI 52-110, please see the information provided under the heading "Audit Committee" in the Corporation's Annual Information Form for the year ended March 31, 2014, which document can be found at the Corporation's page on SEDAR at www.sedar.com.

OTHER MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any matter to come before the Meeting other than as set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

The Corporation shall provide to any person, without charge, following a written or oral request to Mr. Glen Valk, Chief Financial Officer and Vice President of Finance of the Corporation, by mail at Suite 4600 Devon Tower, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2 or by telephone at (403) 262-1020, copies of this Information Circular, the Corporation's annual consolidated financial statements and management's discussion and analysis and any interim consolidated financial statements since March 31, 2014. Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Furthermore, financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

APPENDIX A BOARD MANDATE

The Board of Directors (the "**Board**") of NIKO RESOURCES LTD. ("**NIKO**") has the oversight responsibility and duties as described herein. In addition, each Director has the responsibility and duties provided in any other mandate or Position Description that applies to them.

General

The Board has responsibility for the stewardship of NIKO and its subsidiaries to ensure the long-term financial operational viability and efficiency of the Corporation, and to generally further NIKO's objectives by establishing policies and implementing, directing and monitoring the same exercising the care, diligence and skill of a reasonably prudent person in comparable circumstances, in good faith with a view to the best interests of NIKO. Without limiting the generality of the foregoing, the Board will perform the following duties.

Strategic, Operating, Capital Plans and Financing Plans

- in consultation with the management of NIKO, define the principal objectives of NIKO;
- require the Chief Executive Officer to present periodically to the Board for approval a long range strategic plan of NIKO designed to achieve the principal objectives as adopted by the Board;
- establish a strategic planning process and monitor performance versus plans;
- review and approve annual budgets, operating plans, and corporate objectives and monitor performance and compliance;
- identify the principal risks to NIKO and ensure the implementation of systems to manage such risks;
- review the integrity of internal control and management information systems;
- approve acquisitions and dispositions and the establishment of credit facilities;
- confirming on an annual basis the appointment of Officers;

Monitoring/Implementing

- monitor NIKO's progress toward its goals, and revise and amend strategic planning in response to change in business and corporate circumstances;
- monitor employment policies including compensation, performance and succession planning;
- in consultation with the Chief Executive Officer, establish and monitor and foster ethical and responsible decision making by management, and ethical standards to be observed by NIKO and its employees;
- approve all matters relating to any takeover bid of NIKO;
- with the advice of the Compensation Committee, monitor and approve compensation of senior management personnel and appropriate compensation programs for NIKO's employees;
- on the recommendation of the Corporate Governance Committee and Audit Committee, approve NIKO's Ethics Policy;
- with the Audit Committee and the Board Chair, respond to potential conflict of interest situations;
- monitor compliance with NIKO's Ethics Policy, and provide for appropriate disclosure of any waivers of the policy for directors and officers;
- review and approve succession, including approving development of and monitoring of the performance of senior management personnel;

- with the Corporate Governance Committee, develop NIKO's approach to corporate governance;
- receive for consideration the Corporate Governance Committees evaluation and recommendations of amendments to Corporate Governance Policies, the Board Mandate and Position Descriptions;
- on an annual basis review:
 - The Capital Management Policy
 - The Code of Conduct and Compliance Sign-offs
 - The Communications Policy
 - The Whistleblower Policy
 - The Document Preservation Guidelines
 - The Share Trading Policy

and amend the same if considered necessary to ensure that such policies are achieving their intended purpose.

Communications, Disclosure and Compliance

- ensure timely compliance with the reporting obligations of NIKO, and that the financial performance of NIKO is properly reported to shareholders, other security and regulators on a timely and regular basis;
- recommend to shareholders of NIKO a firm of chartered accountants to be appointed as NIKO's auditors;
- ensure the timely reporting of any change in the business, operations or capital of NIKO that would reasonably be expected to have a significant effect on the market price or value of the shares of NIKO;
- ensure the corporate oil and gas reserve report fairly represents the quantity and value of corporate reserves in accordance with generally accepted engineering principles;
- report annually to shareholders on the Boards' stewardship for the preceding year;
- establish a process for direct communications with shareholders and other stakeholders through appropriate directors, including through the Whistleblower Policy; and
- ensure that NIKO has a policy in place to enable effective communication with its shareholders and the public generally.

Governance

- in consultation with the Chairman of the Board develop a position description for the Chairman of the Board and in consultation with the Chief Executive Officer a position description for the Chief Executive Officer and review such position descriptions as necessary to ensure the same are practical and appropriate;
- facilitate the continuity, effectiveness and principles of independence of the Board by, among other things:
- appointing a Chair of the Board with experience and expertise in foreign investment and operations;
- appointing an Audit Committee comprised solely of financially competent independent directors with the responsibility to assist the Board in fulfilling its oversight responsibilities with respect to (i) the integrity of annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the system of internal accounting and financial reporting controls that Management has established; (v) performance of the internal and external audit process and of the independent auditor; and (vi) implementation and effectiveness of the Ethics Policy and the compliance programs under the Ethics Policy;

- appointing a Compensation Committee comprised solely of independent directors with the responsibility to assist the Board in fulfilling its oversight responsibilities with respect to (i) key compensation and employment policies; (ii) Chief Executive Officer and executive Management compensation; and, (iii) executive Management succession and development;
- appointing an Environmental and Reserves Committee comprised of a majority of independent directors with the responsibility to assist the Audit Committee and the Board in fulfilling their oversight responsibilities with respect to the annual review of NIKO's petroleum and natural gas reserves, and disclosure of reserves data and related oil and gas and mining activities, and environmental practices;
- appointing a Corporate Governance Committee comprised of a majority of independent directors with the responsibility to assist the Board in fulfilling its oversight responsibilities with respect to (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for Director and Board Committee appointments; and, (iii) evaluations of the Board, Board Committees, all individual Directors, the Board Chair and Committee Chairs, all with a view to ensuring NIKO has corporate governance practices appropriate for NIKO;
- in the Board's discretion, appointing any other Board Committees that the Board decides are needed and delegate to those Board Committees any appropriate powers of the Board;
- defining the terms of reference for the Chairs of such Committees;
- ensuring that processes are in place and are utilized to assess the effectiveness of the Board and the Committees established by the Board;
- establishing a system to enable any director or Committee to engage an outside advisor at the expense of NIKO;
- overseeing the development and implementation of the Director orientation program;
- overseeing the process of the Corporate Governance Committee's annual evaluation of the performance and effectiveness of the Board and Board Committees and participate in the annual evaluation of Board performance by the Corporate Governance Committee;
- receiving and considering a report and recommendations of the Corporate Governance Committee or the results of the annual evaluation of Board Performance;
- review annually the compensation of directors.

Delegation

The Board may delegate its duties to and receive reports from the Audit, Environment and Reserves, Compensation and Corporate Governance and any other committee created by the Board to assist the Board in the performance of its duties.

Composition

- the Board shall be comprised of at least six individuals appointed by the shareholders at the Annual Meeting;
- a majority of the Board Members will be independent (within the meaning of National Instrument 58.101) and free from any direct or indirect material relationship which could in the opinion of the Board, reasonably interfere with the members independent judgment;
- all Board members will have the skills and abilities appropriate to their appointment as directors, it being recognized that an appropriate combination of education, experience and competencies will ensure that the Board will discharge its duties effectively. Board members should have sufficient knowledge of NIKO and petroleum industry to assist in providing advice and counsel on relevant issues;
- Board members shall review available materials in advance of meetings and endeavour to attend all meetings of the Board and its subcommittees;
- once or more annually, as the Corporate Governance Committee decides, this Mandate shall be evaluated and updates recommended to the Board for consideration.

APPENDIX B

COMPENSATION COMMITTEE MANDATE

The Compensation Mandate Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities with respect to compensation policies of the Corporation ("**NIKO**"), and such other matters as may be delegated by the Board.

1. General

The purpose of the Committee is:

- (a) to review and report to the Board on matters of compensation provided to all employees of NIKO; and
- (b) to review and report to the Board on matters respecting the policies of NIKO concerning employee benefits; and
- (c) to monitor and make recommendations to the Board with respect to recruitment, retaining and motivating employees and ensuring conformity between compensation and other objectives of the Corporation.

The Committee will continuously review and modify its terms of reference with regards to changes in the business environment, industry standards, matters of compensation in corporate governance and additional standards which the Committee believes may be applicable to NIKO's business in consultation with the Committee and submit such modifications to the Board for approval.

2. Composition, Procedures and Organization

- (a) The Compensation Committee will be comprised of three or more Directors as determined from time to time by resolution of the Board.
- (b) Each member of the Compensation Committee must be independent as that term is defined in NI58-101 and as such must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Compensation Committee.
- (c) Consistent with the appointment of other Board committees, the members of this committee will be appointed by the Board at the first meeting of the Board following each annual general meeting or at such of the time as may be determined by the Board.
- (d) The Board will designate the Chairman of the Compensation Committee. The presence in person or by telephone of a majority of the committees' members constitutes a quorum for any meeting.
- (e) All actions of the Compensation Committee will require a vote of the majority of its members present at a meeting of such Committee at which a quorum is present.
- (f) The Compensation Committee will meet at least twice annually or otherwise as may be directed by the Board or as circumstances warrant.
- (g) Meetings of the Committee may be called by any member.
- (h) The Chairman of the Compensation Committee will appoint a member to act as secretary for the purposes of recording the minutes of each meeting.
- (i) All members of the Committee must be familiar with any corporate governance guidelines established by the Canadian Securities Administrators and relevant securities regulators with respect to compensation matters at the time of their appointment or become so within a reasonable period of time following such appointment. The competence of the members of the Compensation Committee in this regard will be determined by the Board in the exercise of its business judgment.

3. Accountability and Reporting

The Compensation Committee is accountable to the Board. The Compensation Committee must provide the Board with a summary of all meetings and its recommendations, together with a copy of the minutes of each such meeting. If applicable, the Chairman will provide oral reports as requested.

All information reviewed and discussed by the Compensation Committee at any meeting must be retained and made available for examination by the Board. The Compensation Committee will review its mandate annually and will forward to the Corporate Governance Committee any recommended alterations to that mandate.

4. Responsibilities

The Compensation Committee must:

- (a) review and recommend the annual salary, incentive compensation and other benefits or perquisites, direct or indirect, of the employees and officers of NIKO and to ensure the compensation is fair, equitable and comparable with others in the petroleum industry.
- (b) review and recommend the policies of NIKO concerning employee benefits and perquisites and periodically review their application;
- (c) review and recommend incentive compensation for employees of NIKO;
- (d) review with the CEO the performance, development of management of NIKO;
- (e) ensure compliance with management compensation disclosure rules in the annual management information circular and proxy statement;
- (f) review and approve corporate goals and objectives relevant to senior management and the CEO compensation, evaluating the performance of senior management and the CEO in light of those corporate goals and objectives and making recommendations to the Board with respect to the compensation of senior management and the level based on this evaluation; and
- (g) review and make recommendations to the Board for determining and establishing compensation of Directors.

The Compensation Committee may request such officers of NIKO as it may see fit to attend its meeting and to assist in the discussion and consideration of such matters as the committee may determine.

The Compensation Committee may retain, on a periodic basis, an outside consulting firm to evaluate the overall compensation arrangements for executives or to develop new incentive plans.

5. Communication, Authority to Engage Advisors and Expenses

The Committee shall have direct access to such officers and employees of NIKO and to any other consultants or advisors, and to such information respecting NIKO it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at NIKO's expenses. NIKO shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

APPENDIX C

CORPORATE GOVERNANCE COMMITTEE MANDATE

The Corporate Governance Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities with respect to the Corporate governance and nomination issues facing the Corporation ("**NIKO**"), and such other matters as may be delegated by the Board.

1. General

The purpose of the Committee is:

- (a) to review and report to the Board on matters of corporate governance and Board composition; and
- (b) to provide oversight review of NIKO's systems for achieving compliance with regulatory and legal requirements provided the Committee's oversight role shall not include responsibility for NIKO's actual compliance with applicable laws and regulations; and
- (c) to monitor NIKO's corporate process and structure used to direct and manage the business and affairs of NIKO in assisting the Board in discharging its legal and fiduciary obligations; and
- (d) to promote appropriate standards of behaviour with respect to all aspects of NIKO's business.

The Committee will continuously review and modify its terms of reference with regards to changes in the business environment industry, standards on matters of corporate governance, and additional standards which the Committee believes may be applicable to the business of NIKO and submit such modifications to the Board for approval.

2. Composition, Procedures and Organization

- (a) The Committee will be comprised of three or more Directors as determined from time to time by resolution of the Board.
- (b) The majority of the members of the Committee must be independent as that term is defined in NI 58-101 and as such must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee. A Director who is part of management may be appointed to the Committee on the unanimous approval of the Board to assist in promoting prudent corporate governance policies and procedures.
- (c) Consistent with the appointment of other Board committees, the members of the Committee will be appointed by the Board at the first meeting of the Board following each annual general meeting or at such of the time as may be determined by the Board.
- (d) The Board will designate the Chairman of the Committee. The presence in person or by telephone of a majority of the Committee's member's constitutes a quorum for any meeting.
- (e) All actions of the Committee will require a vote of the majority of its members present at a meeting of such Committee at which a quorum is present.
- (f) The Committee will meet at least twice annually or otherwise as may be directed by the Board or as circumstances warrant.
- (g) Meeting of the Committee may be called by any member.
- (h) The Chairman of the Committee will preside at Committee meetings, and the Committee will appoint a secretary for the purposes of recording the minutes of each meeting.
- (i) All members of the Committee must be familiar with any corporate governance guidelines established by the Canadian Security Administrators and relevant securities regulatory authorities at the time of their appointment or become so within a reasonable period of time following such appointment. The competence of the members of the Committee in this regard will be determined by the Board in the exercise of its business judgment.

3. Accountability and Reporting

The Committee is accountable to the Board. The Committee must provide the Board with a summary of all meetings and its recommendations together with a copy of the minutes of each such meeting. If applicable, the Chairman will provide oral reports as requested.

All information reviewed and discussed by the Committee at any meeting must be retained and made available for examination by the Board. The Committee will review its mandate annually. The Committee will also review the mandate and responsibilities of other committees of the Board annually.

- (a) monitor procedures to ensure that the Board can function independently of management;
- (b) ensure that there is a process in place to allow all levels of employees access to the Board to bring "whistleblower" issues to the Board which are not being adequately dealt with by the management of the Corporation;
- (c) ensure that the Corporation's legal counsel, external engineering consultants and external auditors are currently instructed to make the Corporation aware of current and evolving legislation, regulations and guidelines relating to applicable corporate governance issues;
- (d) establish procedures, as required, to enable individual directors to engage outside advisors under appropriate circumstances;
- (e) make recommendations to the Board for the appropriate resolutions of any conflict of interest between or among an officer, Director or shareholder, which is properly directed to the Committee by the Chair of the Board, a Director, a shareholder, the Board, the external Auditors, or an officer of the Corporation (in respect of conflicts of interest relating to audit, finance or risk matters, the Committee will liaise with the Audit Committee);
- (f) after consultation with the Chair of the Board, identify, evaluate and if appropriate recommend those circumstances which warrant a request by a Board for the retirement of a Director or which should act to disqualify a Director from re-election (including, but not limited to the level of attendance at, or participation in, meetings of the Board or a committee thereof, or a change in the affiliation or employment of a Director.

4. Corporate Governance Responsibilities

The Corporate Governance Committee is responsible for proposing to the full Board new nominees to the Board and for assessing the effectiveness of the Directors and Committees of the Board on an ongoing basis. Further, the Corporate Governance Committee is responsible for NIKO's response to, and implementation of, the guidelines of the Canadian Securities Administrators and relevant securities regulatory authorities relating to the corporate governance, as amended from time to time. The specific functions of the corporate Governance Committee in carrying out these areas of responsibility are set out below.

The Corporate Governance Committee must:

- (a) consider and review NIKO's corporate governance principles and processes and compare the same to the guidelines of the Canadian Securities Administrators and relevant securities regulatory authorities relating to corporate governance as amended from time to time;
- (b) propose changes to the Board necessary to respond to the guidelines;
- (c) review NIKO's disclosure of its corporate governance program and compliance with the guidelines in the management proxy circular for each annual general meeting; and
- (d) monitor compliance with, and review and approve, if considered appropriate, all proposed waivers to NIKO's Code of Conduct.

5. Nomination and Assessment of Directors

The Corporate Governance Committee must:

- (a) after consultation with the Chairman of the Board, consider and recommend candidates to fill new positions on the Board created by either expansion or vacancies that occur by resignation, retirement or for any other reason;

- (b) review Board candidates recommended by Shareholders;
- (c) conduct inquiries into the backgrounds and qualifications of potential candidates;
- (d) recommend the suitable director nominees for approval by the Board and the Shareholders;
- (e) consider questions of possible conflicts of interest of Directors;
- (f) recommend members and chairs of committees;
- (g) establish and implement a Director Orientation Program; and
- (h) make a recommendation to the Board as to whether to accept or reject any resignation tendered by a Director as provided in the Mandate of the Board of Directors.

6. Communication, Authority to Engage Advisors and Expenses

The Committee shall have direct access to such officers and employees of NIKO and to any other consultants or advisors, and to such information respecting NIKO it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at NIKO's expenses. NIKO shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

APPENDIX D

ENVIRONMENT AND RESERVES COMMITTEE MANDATE

Purpose

The purpose of the Environment and Reserves Committee (the "**Reserve Committee**") is to provide assistance to the Board of Directors (the "**Board**") with respect to Niko Resources Ltd.'s ("**Niko**");

- Selection and remuneration of the Reserves Evaluator;
- Establishment of processes and procedures to ensure flow of relevant information to the Reserves Evaluator;
- Review of the annual and periodic independent engineering reports;
- Compliance with regulatory requirements;
- Disclosure of reserves information;
- Review of the disclosed oil and gas reserves data; and
- Review of the reserves data of the Reserves Evaluator charged with evaluating Niko's reserves;
- Legal and fiduciary obligations in ensuring regulatory compliance and in ensuring that Niko's policies and procedures meet acceptable industry standards with respect to environmental matters which might arise as a result of the business and operations of Niko.

Composition, Procedures and Organization

The Environment and Reserves Committee will be comprised of three or more directors as determined from time to time by resolution of the Board.

The Majority of the members of the Environment and Reserves Committee must be independent and, as such, must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Environment and Reserves Committee.

Consistent with the appointment of other Board committees, the members of the Environment and Reserves Committee will be appointed by the Board at the first meeting of the Board following each annual general meeting of the Shareholders or at such other time as may be determined by the Board.

The Environment and Reserves Committee will designate the Chairman of the Environment and Reserves Committee by majority vote. The presence in person or by telephone of a majority of the Environment and Reserves Committee's members constitutes a quorum for any meeting. All actions of the Environment and Reserves Committee will require a vote of the majority of its members present at a meeting of such committee at which a quorum is present.

All members of the Environment and Reserves Committee must have expertise in oil and gas evaluation processes and procedures, as such qualification may be determined in the business judgment of the Board.

Accountability and Reporting

The Environment and Reserves Committee is accountable to the Board. The Environment and Reserves Committee must provide the Board with a summary of all meetings and its recommendations together with a copy of the minutes of each such meeting. If applicable, the Chairman of the Environment and Reserves Committee will provide oral reports as discussed.

All information reviewed and discussed by the Environment and Reserves Committee at any meeting must be retained and made available for examination by the Board.

The Environment and Reserves Committee shall have access to such officers and employees of Niko and to such information regarding Niko, and may engage independent environmental and health consultants and advisors at the expense of Niko, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

The Environment and Reserves Committee may consider meeting "in camera" without management; after any committee meeting.

Meetings

The Environment and Reserves Committee will meet with such frequency and at such intervals as it determines necessary to carry out its duties and responsibilities.

Generally, the Environment and Reserves Committee will meet at least two times annually: once prior to the selection of the Reserves Evaluator and once prior to public release of the annual reserve estimates. The Environment and Reserves Committee may also be directed by the Board to meet more frequently, as circumstances warrant.

The Chairman of the Environment and Reserves Committee will appoint a director, officer or employee of Niko to act as secretary for the purpose of recording the minutes of each meeting.

Reserves Responsibilities

The Environment and Reserves Committee must:

- (a) Annually review with management of Niko the selection or retention, as the case may be, of a recognized Reserves Evaluator that is qualified to prepare an evaluation of the oil and gas reserves of Niko in a manner consistent with industry and regulatory standards and requirements and, in the case of a proposed change in the Reserves Evaluator, determine the reasons for the proposal and whether there have been any disputes between the Reserves Evaluator and management of Niko;
- (b) Annually review and approve the expected fees of the Reserves Evaluator;
- (c) Receive the annual independent evaluation of the oil and gas reserves of Niko and review the scope of work, reserves estimates and any material changes to Niko's reserves;
- (d) Consider and review the input of management into the independent evaluation, the processes for providing information and the key assumptions used therein and review Niko's procedures relating to disclosure of information with respect to oil and gas activities, including its procedures for complying with disclosure requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101");
- (e) Meet with representatives of the Reserves Evaluator to consider and review the overall preparation of the evaluation, including:
 1. The independence of the Reserves Evaluator;
 - Details of arrangements, if any, between Niko and the Reserves Evaluator;
 - Sources of information used in preparing the evaluation;
 - Access to information;
 - Production estimates;
 - Price forecasts;
 - Sales contracts;
 - Operating and capital cost estimates;
 - Ownership interests;
 - Royalty burdens;
 - Reconciliation of reserve additions and revisions;
 - Results of field inspections, if any; and
 - Matters that would have an effect on the quantity of reserves, production profile or estimated cash flow from the oil and gas assets;

- (f) Review compliance with applicable regulations and policies, including NI 51-101, and, in particular, before filing the reserves data and the report of the Reserves Evaluator referred to in section 2.1 of NI 51-101, meet with management and the Reserves Evaluator to (i) determine whether any restrictions affect the ability of the Reserves Evaluator to report on the reserves data without reservation, (ii) review the reserves data and the report of the Reserves Evaluator, and (iii) review and approve the content and filing of Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*;
- (g) Review and execute Form 51-101F3 Report of Management and Directors on Oil and Gas Disclosure; and
- (h) Present reports to the Board of consideration, where necessary.

Assessments

Disclosure whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

Directors complete an annual Board Effectiveness Questionnaire commenting on Board responsibility, organization, composition, independence from management, operations, effectiveness, and performance. The results of the questionnaires are analyzed by the Chairman of the Corporate Governance Committee who then recommends and implements changes to enhance the overall performance of the Board and monitors ongoing progress in any areas identified for improvement.

APPENDIX E

RESTRUCTURING COMMITTEE MANDATE

The Restructuring Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") to assist the Board in fulfilling its oversight responsibilities with respect to the implementation of a comprehensive restructuring and recovery plan for the Corporation ("**NIKO**"), and such other matters as may be delegated by the Board.

1. General

The purpose of the Committee is:

- (i) to review and report to the Board on all matters relating to the Comprehensive Restructuring and Recovery Plan (the "**Plan**") including, without limitation, recommendations for any amendments or alterations to the Plan; and
- (j) to provide oversight review of the implementation of the Plan by NIKO's Executive Management; and
- (k) to provide additional support, expertise and direction to the Board and NIKO's Executive Management relating to the Plan and its implementation.

The Committee will continuously review and modify its terms of reference with regards to changes in the business environment industry, standards on matters of corporate restructuring, and additional standards which the Committee believes may be applicable to the business of NIKO and submit such modifications to the Board for approval.

2. Composition, Procedures and Organization

- (l) The Committee will be comprised of four (4) or more Directors as determined from time to time by resolution of the Board.
- (m) The members of the Committee must be independent as that term is defined in NI 58-101 and as such must be free from any material relationship that may interfere with the exercise of his or her independent judgment as a member of the Committee.
- (n) Consistent with the appointment of other Board committees, the members of the Committee will be appointed by the Board at the first meeting of the Board following each annual general meeting or at such of the time as may be determined by the Board.
- (o) The Board will designate the Chairman of the Committee. The presence in person or by telephone of a majority of the Committee's member's constitutes a quorum for any meeting.
- (p) All actions of the Committee will require a vote of the majority of its members present at a meeting of such Committee at which a quorum is present.
- (q) The Committee will meet at as required, but at least quarterly and otherwise as may be directed by the Board or as circumstances warrant.
- (r) Meeting of the Committee may be called by any member.
- (s) The Chairman of the Committee will preside at Committee meetings.
- (t) The competence of the members of the Committee in this regard will be determined by the Board in the exercise of its business judgment.

3. Accountability and Reporting

The Committee is accountable to the Board. The Committee will provide the Board with a summary report, which may be verbal of all meetings and its recommendations of each such meeting. If applicable, the Chairman will provide oral reports as requested.

All information reviewed and discussed by the Committee at any meeting must be retained and made available for examination by the Board. The Committee will review its mandate annually.

4. Restructuring Responsibilities

The Restructuring Committee is responsible to the Board for the overall development, oversight, implementation and amendment, if required, of the Plan including, without limitation:

- (u) to review and report to the Board on all matters relating to Plan;
- (v) to provide oversight review of the implementation of the Plan by NIKO's Executive Management;
- (w) to provide additional support, expertise and direction to the Board and NIKO's Executive Management relating to the Plan and its implementation; and
- (x) to consider and review, from time to time, the Plan and its goals and objectives and the anticipated and actual outcomes from the implementation of the Plan and to recommend to the Board appropriate changes, amendments or alterations to the Plan.

5. Communication, Authority to Engage Advisors and Expenses

The Committee shall have direct access to such officers and employees of NIKO and to any other consultants or advisors, and to such information respecting NIKO it considers necessary to perform its duties and responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at NIKO's expenses. NIKO shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

APPENDIX F

MAJORITY VOTING POLICY

The board believes that each director should have the confidence and support of the shareholders of the corporation. To this end, the board has unanimously adopted this policy and future nominees for election to the board will be required to confirm that they will abide by the policy.

Forms of proxy for the election of directors will permit a shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Chair of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If the vote was by a show of hands, the Corporation will disclose the number of shares voted by proxy in favour or withheld for each director.

If a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered by the board not to have received the support of the shareholders, even though duly elected as a matter of corporate law. Such a nominee will be expected to forthwith submit his or her resignation to the board of directors, effective on acceptance by the board. The board will refer the resignation to the nominating/corporate governance committee (or equivalent) for consideration.

The Corporate Governance Committee will consider all factors deemed relevant by the members of the corporate governance committee including, without limitation, the stated reason or reasons why shareholders who cast "withhold" votes for the director did so, the qualifications of the director including, the impact the director's resignation would have on the Corporation, and whether the director's resignation from the Board would be in the best interest of the Corporation and the Shareholders. Within 90 days of receiving the final voting results, the Board will issue a press release announcing the resignation of the director or explaining the reasons justifying its decision not to accept the resignation.

Subject to any corporate law restrictions, the board of directors may (1) leave a vacancy in the board unfilled until the next annual general meeting, (2) fill the vacancy by appointing a new director whom the board considers to merit the confidence of the shareholders, or (3) call a special meeting of shareholders to consider new board nominee(s) to fill the vacant position(s).

This policy does not apply where an election involves a proxy battle, *i.e.*, where proxy material is circulated in support of one or more nominees who are not part of the director nominees supported by the board of directors.

APPENDIX G

AMENDED AND RESTATED BY-LAW NO. 1

A By-Law relating generally to the transaction of the business and affairs of
Niko Resources Ltd.

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Seven	Dividends
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IT IS HEREBY ENACTED as By-Law No. 1 of Niko Resources Ltd. (hereinafter called the "**Corporation**") as follows:

SECTION ONE INTERPRETATION

1.01 Definitions

In the By-Laws of the Corporation, unless the context otherwise requires:

- (a) "**Act**" means the *Business Corporations Act* of Alberta, and any statute that may be substituted therefor, including the regulations thereunder, as from time to time amended;
- (b) "**appoint**" includes "elect" and vice versa;
- (c) "**Articles**" means the articles of the Corporation, as defined in the Act, and includes any amendments thereto;
- (d) "**Board**" means the board of directors of the Corporation;
- (e) "**By-Laws**" means this Amended and Restated By-Law No. 1 and all other by-laws of the Corporation from time to time in force and effect;
- (f) "**meeting of shareholders**" means any meeting of shareholders, including any meeting of one or more classes or series of shareholders;
- (g) "**recorded address**" means, in the case of a shareholder, the address of such shareholder as recorded in the securities register; in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the Board, the latest address of such person as recorded in the records of the Corporation; and

- (h) **"signing officer"** means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.03 or by a resolution passed pursuant thereto.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts, unincorporated organizations and personal representatives.

1.02 Conflict with the Act, the Articles or any Unanimous Shareholder Agreement

To the extent of any conflict between the provisions of the By-Laws and the provisions of the Act, the Articles or any unanimous shareholder agreement relating to the Corporation, the provisions of the Act, the Articles or the unanimous shareholder agreement shall govern.

1.03 Headings and Sections

The headings used throughout the By-Laws are inserted for convenience of reference only and are not to be used as an aid in the interpretation of the By-Laws. "Section" followed by a number means or refers to the specified section of this By-Law.

1.04 Invalidity of any Provision of By-Laws

The invalidity or unenforceability of any provision of the By-Laws shall not affect the validity or enforceability of the remaining provisions of the By-Laws.

SECTION TWO BUSINESS OF THE CORPORATION

2.01 Corporate Seal

The corporate seal of the Corporation, if any, shall be in such form as the Board may from time to time by resolution approve.

2.02 Financial Year

The financial year of the Corporation shall end on such date in each year as the Board may from time to time by resolution determine.

2.03 Execution of Instruments

Deeds, transfers, assignments, contracts, mortgages, charges, obligations, certificates and other instruments of any nature whatsoever (collectively "instruments") shall be signed on behalf of the Corporation by two persons, one of whom holds the office of chair of the Board, president, vice president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant treasurer or any other office created by resolution of the Board. In addition, the Board is authorized from time to time by resolution to appoint any person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments. Any signing officer may affix the corporate seal to any instrument requiring the same.

2.04 Execution in Counterpart, by Facsimile and by Electronic Signature

- (a) Subject to the Act, any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed by electronic means or by facsimile; and
- (b) Any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document.

2.05 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be authorized by the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.06 Voting Rights in Other Bodies Corporate

The signing officers may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the persons executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board or, failing the Board, the signing officers may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.07 Divisions

The Board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territory, product manufactured or services rendered, as the Board may consider appropriate in each case. From time to time the Board may authorize upon such basis as may be considered appropriate in each case:

- (a) the designation of any such division by, and the carrying on of the business and operations of any such division under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation; and
- (b) the appointment of officers for any such division and the determination of their powers and duties, provided that any such officers shall not, as such, be officers of the Corporation.

SECTION THREE DIRECTORS

3.01 Number of Directors

The Board shall consist of the number of directors provided in the Articles, or, if a minimum number and a maximum number of directors is so provided, the number of directors of the Corporation shall be determined from time to time by ordinary resolution of the shareholders, or in the absence of such resolution, by resolution of the directors.

3.02 Calling and Notice of Meetings

Meetings of the Board shall be called and held at such time and at such place as the Board, the chair of the Board, the president or any two directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Board shall be given in the manner provided in Section Nine to each director not less than forty-eight (48) hours before the time when the meeting is to be held unless waived in accordance with the Act. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Act. Notwithstanding the foregoing, the Board may from time to time fix a day or days in any month or months for regular meetings of the Board at a place and hour to be named, in which case no other notice shall be required for any such regular meeting except where the Act requires specification of the purpose or the business to be transacted thereat. Provided that a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting following the meeting of shareholders at which such Board was elected.

3.03 Place of Meetings

Meetings of the Board may be held at any place in or outside Alberta.

3.04 Meetings by Telephone, Electronic or Other Communication Facility

A director may participate in a meeting of the Board or a committee of the Board by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A director participating in such a meeting in such manner shall be considered present at the meeting and at the place of the meeting.

3.05 Quorum

Subject to the requirements under the Act requiring resident Canadians to be present at any meeting of the Board, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the directors holding office or such greater number of directors as the Board may from time to time determine.

3.06 Chair

The chair of any meeting of the Board shall be the director present at the meeting who is the first mentioned of the following officers as have been appointed: chair of the Board, president or a vice-president (in order of seniority). If no such officer is present, the directors present shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair of the meeting shall appoint some person, who need not be a director, to act as secretary of the meeting.

3.07 Action by the Board

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. A director participating in a meeting by electronic means, telephone or other communication facilities may vote by means of such facility. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. The powers of the Board may also be exercised by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the Board.

3.08 Adjourned Meeting

Any meeting of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

3.09 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.10 Officers

The Board from time to time may appoint one or more officers of the Corporation and, without prejudice to rights under any employment contract, may remove any officer of the Corporation. The powers and duties of each officer of the Corporation shall be those determined from time to time by the Board and, in the absence of such determination, shall be those usually incidental to the office held.

3.11 Agents and Attorneys

The Board shall have the power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

SECTION FOUR COMMITTEES

4.01 Committees of the Board

Subject to the Act, the Board may appoint one or more committees of the Board, however designated, and delegate to any such committee any of the powers of the Board.

4.02 Transaction of Business

The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any committee may be held at any place in or outside Alberta.

4.03 Procedure

Unless otherwise determined by the Board, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chair and the rules for calling, holding, conducting and adjourning meetings of the committee which, unless otherwise determined, shall be the same as those governing the Board. Each member of a committee shall serve during the pleasure of the Board and, in any event, only so long as such person shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

SECTION FIVE
PROTECTION OF DIRECTORS AND OFFICERS

5.01 Limitation of Liability

No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same shall happen by or through his or her failure to exercise the powers and to discharge the duties of his or her office honestly, in good faith and with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.02 Indemnity

The Corporation shall, to the maximum extent permitted under the Act or otherwise by law, indemnify a director or officer of the Corporation, a former director or officer of the Corporation, and a person who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, and their heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other action or proceeding to which he or she is made a party to or involved by reason of that association with the Corporation or such other entity.

5.03 Advance of Costs

The Corporation shall, to the maximum extent permitted under the Act or otherwise by law, advance moneys to an individual referred to in Section 5.02 to defray the costs, charges and expenses of a proceeding referred to in Section 5.02 provided such individual shall repay the moneys advanced if the individual does not fulfil the conditions set forth in the Act.

5.04 Court Approval

The Corporation shall use reasonable commercial efforts to obtain any court or other approvals necessary for any indemnification pursuant to Section 5.02.

5.05 Indemnities Not Exclusive

The rights of any person to indemnification granted by the Act or the By-Laws are not exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors, at law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and will enure to the benefit of the heirs and legal representatives of that person.

5.06 Insurance

The Corporation may purchase, maintain or participate in insurance for the benefit of the persons referred to in Section 5.02 as the Board may from time to time determine.

SECTION SIX
SHARES

6.01 Non-Recognition of Trusts

Subject to the Act, the Corporation may treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

6.02 Joint Shareholders

If two or more persons are registered as joint holders of any share:

- (a) the Corporation shall record only one address on its books for such joint holders;
- (b) the address of such joint holders for all purposes with respect to the Corporation shall be their recorded address; and
- (c) any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

SECTION SEVEN

DIVIDENDS

7.01 Dividends

The Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

7.02 Dividend Cheques

A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the Board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the shareholder's recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders the cheque shall, unless such joint holders otherwise direct and the Corporation agrees to follow such direction, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. Alternatively, dividends payable in money may be paid to shareholders by such form of electronic funds transfer as the Board considers appropriate.

7.03 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case. No dividend shall bear interest against the Corporation.

7.04 Unclaimed Dividends

Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION EIGHT

MEETINGS OF SHAREHOLDERS

8.01 Place of Meetings

Meetings of shareholders shall be held at such place within Alberta as the Board shall determine. Subject to the Act, meetings may be held outside of Alberta.

8.02 Participation in Meeting by Electronic Means

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by electronic means, telephone or other communication facility that permits all participants to hear each other or otherwise communicate with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means shall be deemed to be present at the meeting.

8.03 Electronic Meetings

If the directors or the shareholders of the Corporation call a meeting of shareholders, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting.

8.04 Chair, Secretary and Scrutineers

The chair of any meeting of shareholders, who need not be a shareholder of the Corporation, shall be the first mentioned of the following officers as has been appointed and is present at the meeting: chair of the Board, president or a vice-president (in order of seniority). If no such officer is present and willing to act as chair within fifteen (15) minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. The chair shall conduct the proceedings at the meeting in all respects and his or her decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders. The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The Board may from time to time appoint in advance of any meeting of shareholders, one or more persons to act as scrutineers at such meeting and, in the absence of such appointment, the chair may appoint one or more persons to act as scrutineers at any meeting of shareholders. Scrutineers so appointed may, but need not be, shareholders, directors, officers or employees of the Corporation.

8.05 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote at such meeting; the directors and auditors of the Corporation; others who, although not entitled to vote, are entitled or required under any provision of the Act, the Articles or the By-Laws to be present at the meeting; legal counsel to the Corporation when invited by the Corporation to attend the meeting; and any other person on the invitation of the chair or with the consent of the meeting.

8.06 Quorum

A quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than ten percent (10%) of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at the meeting of shareholders shall consist of the one shareholder.

8.07 Representatives

The authority of an individual to represent a body corporate or association at a meeting of shareholders of the Corporation shall be established by depositing with the Corporation a certified copy of the resolution of the directors or governing body of the body corporate or association, as the case may be, granting such authority, or in such other manner as may be satisfactory to the chair of the meeting.

8.08 Action by Shareholders

The shareholders shall act by ordinary resolution unless otherwise required by the Act, the Articles, the By-Laws or any unanimous shareholder agreement. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

8.09 Show of Hands

Upon a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

8.10 Ballots

A ballot required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he or she is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

8.11 Electronic Voting

Notwithstanding Section 8.09, any vote referred to in Section 8.08 may be held, in accordance with the Act, partially or entirely by electronic means, telephone or other communication facility, if the Corporation has made available such a facility.

Any person participating in a meeting of shareholders under Section 8.02 or 8.02 and entitled to vote at the meeting may vote, in accordance with the Act by electronic means, telephone or other communication facility that the Corporation has made available such purpose.

8.12 Resolution in Lieu of Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of shareholders. A resolution in writing may be signed in one or more counterparts.

8.13 Notice and Access

Notwithstanding anything contained in Section Nine, or elsewhere in the By-Laws and, subject to the Act, the Corporation shall be entitled, at its discretion, to utilize the notice and access method of delivering shareholder meeting materials, soliciting proxies and receiving voting instructions from registered and beneficial shareholders adopted by the Canadian Securities Administrators in the amendments to the rules for communication between reporting issuers and their shareholders, effective for meetings held on or after March 1, 2013, as such rules may be modified from time to time.

SECTION NINE NOTICES

9.01 Method of Giving Notices

Any notice (which term includes any communication or contract document or instrument in writing, or electronic document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles or the By-Laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's record address or if mailed to such person at such record address by prepaid mail or if sent to such person by electronic means as permitted by, and in accordance with, the Act. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by the secretary to be reliable. The foregoing shall not be construed so as to limit the manner or effect of giving notice by any other means of communication otherwise permitted by law.

9.02 Notice to Joint Holders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

9.03 Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

9.04 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor, or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

9.05 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom such person derives title to such share prior to such person's name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of such person's entitlement prescribed by the Act.

SECTION TEN EFFECTIVE DATE

10.01 Effective Date

This Amended and Restated By-Law No. 1 shall come into force when made by the Board in accordance with the Act.

10.02 Repeal

All previous By-Laws of the Corporation which are inconsistent herewith are repealed as of the coming into force of this By-Law. Such repeal shall not affect the previous operation of any By-Law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles or predecessor charter documents of the Corporation obtained pursuant to, any such By-Law prior to its repeal. All officers and persons acting under any By-Law so repealed shall continue to act as if appointed under the provisions of this By-Law and all resolutions of the shareholders or the Board or a committee of the Board with continuing effect passed under any repealed By-Law shall continue good and valid except to the extent inconsistent with this By-Law and until amended or repealed.

APPENDIX H

ADVANCE NOTICE BY-LAW

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; (iii) allowing the Corporation and shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation; and (iv) allowing shareholders to cast an informed vote.

The purpose of this Advance Notice By-law (the "**By-law**") is to provide shareholders, directors and management of the Corporation with guidance on the nomination of directors. This By-law is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form.

It is the position of the Corporation that this By-law is beneficial to shareholders and other stakeholders. This By-law will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. **Nomination procedures** - Subject only to the *Business Corporations Act* (Alberta) (the "**Act**") and the articles of the Corporation (the "**Articles**"), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
 - (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below in this By-law and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this By-law.
2. **Timely notice** - In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. **Manner of timely notice** - To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
 - (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
4. **Proper form of timely notice** - To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- 5. **Eligibility for nomination as a director** - No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- 6. **Terms** - For purposes of this By-law:
 - (a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada.
- 7. **Delivery of Notice** - Notwithstanding any other provision of this By-law, notice given to the Corporate Secretary of the Corporation pursuant to this By-law may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Mountain Daylight time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- 8. **Board Discretion** - Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-law.