



NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

of

OYSTER OIL & GAS LTD.

to be held on

Thursday, December 29, 2016

at

**Suite 918 - 1030 West Georgia Street
Vancouver, British Columbia, Canada**



**NOTICE OF ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS**

TO: All holders of common shares of **OYSTER OIL AND GAS LTD.**

We will hold an annual general and special meeting of our shareholders on **Thursday, December 29, 2016**, at our offices at **Suite 918 - 1030 West Georgia Street, Vancouver, British Columbia, Canada**. The meeting will start at **9:30 a.m.** (Pacific time). We cordially invite you to attend and encourage you to do so.

At the meeting we will:

1. present our consolidated financial statements for the year ended December 31, 2015, and the report of our auditor on those statements;
2. set the number of directors and elect directors;
3. appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Accountants, as our auditor for the ensuing year and authorize the directors to fix their remuneration;
4. approve our Amended and Restated 2009 Stock Option Incentive Plan, as required annually by the policies of the TSX Venture Exchange, the details of which are more particularly described in the attached Information Circular at Part 3 – The Business of the Meeting – Annual Approval of Stock Option Plan; and
5. to transact such further or other business as may properly come before the Meeting or any adjournment thereof.

Details of all matters proposed to be put before the meeting are set forth in the accompanying Management Information Circular and form of proxy, which should be read in conjunction with this Notice.

DATED at Vancouver, British Columbia, this 30th day of November 2016.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Michael Wood

Michael Wood
Director, President & Chief Executive Officer

If you cannot attend, we encourage you to complete and return the enclosed form of proxy indicating your voting instructions. Please complete, date and sign your form of proxy and return it to our transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, facsimile numbers: within North America 1-866-249-7775; outside North America 1-416-263-9524; or vote by telephone or through the Internet following the instructions in the enclosed form of proxy. To be valid, a completed form of proxy must be received by our transfer agent by no later than 9:30 a.m. (Pacific time) on December 23, 2016, or, if the meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the adjourned meeting.

If you are not a registered shareholder, please refer to the accompanying Management Information Circular for information on how to vote your shares.



MANAGEMENT INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is as of November 24, 2016.

This Circular is being mailed by the management of Oyster Oil and Gas Ltd. (the “**Company**”) to everyone who was a shareholder of record of the Company on Thursday, November 24, 2016, which is the date that has been fixed by our directors as the record date to determine the shareholders who are entitled to receive notice of the meeting.

We are mailing this Circular in connection with the solicitation of proxies by and on behalf of our management for use at the annual general and special meeting of our shareholders that is to be held on **Thursday, December 29, 2016 at 9:30 a.m.** (Pacific time) at our offices at **Suite 918 - 1030 West Georgia Street, Vancouver, British Columbia**. The solicitation of proxies will be primarily by mail. Certain directors, officers and employees of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

Under the Company’s Articles, a quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting. If such a quorum is not present in person or by proxy, we will reschedule the meeting.

PART 1 - VOTING

HOW A VOTE IS PASSED

All of the matters that will come to a vote at the meeting as described in the attached Notice of Meeting are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, then the resolution is approved. See Part 3 – The Business of the Meeting for more details on the proposed resolutions to be put to shareholders at the meeting.

WHO CAN VOTE?

If you are a registered shareholder of the Company on November 24, 2016, you are entitled to attend at the meeting and cast a vote for each share registered in your name on all resolutions put before the meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer’s authority should be presented at the meeting. If you are a registered shareholder but do not wish to or cannot attend the meeting in person you can appoint someone who will attend the meeting and act as your proxyholder to vote in accordance with your instructions (see “Voting by Proxy”). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled “Non-Registered Shareholders” set out below.

It is important that your shares be represented at the meeting regardless of the number of shares you hold. If you will not be attending the meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not come to the meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return a completed form of proxy to our transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; facsimile numbers: within North America 1-866-249-7775; outside North America (416) 263-9524; or vote by telephone or through the Internet following the instructions on the form of proxy, by 9:30 a.m. (Pacific time) December 23, 2016.

What is a proxy?

A form of proxy is a document that authorizes someone to attend the meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing a proxyholder

You can choose any person to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder of the Company. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors and officers of the Company.

Instructing your proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the meeting as follows:

- ✓ **FOR setting the number of directors at four;**
- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of Dale Matheson Carr-Hilton LaBonte LLP, as the auditor of the Company and authorize the directors to fix their remuneration;**
- ✓ **FOR the resolution approving the Company's previously adopted Amended and Restated 2009 Stock Option Incentive Plan, as required annually by the TSX Venture Exchange; and**

For more information about these matters, see Part 3 - The Business of the Meeting. **The enclosed form of proxy gives the persons named in it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.** As at the time of printing this Circular, management of the Company is not aware of any other matter to be presented for action at the meeting. If, however, other matters do properly come before the meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing your mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Company's registered office at Suite 409, 221 West Esplanade North Vancouver, B.C. V7M 3J3 or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 p.m. (Pacific time) on the last business day before the day of the meeting, or any adjournment thereof, or delivered to the person presiding at the meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the meeting in person.

NON-REGISTERED SHAREHOLDERS

If your shares are not registered in your own name, they will be held in the name of a "nominee," usually a bank, trust company, securities dealer or other financial institution and, as such, your nominee will be the entity legally entitled to vote your common shares and must seek your instructions as to how to vote your shares. Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' meetings, you will have received this Circular from your nominee, together with a form of proxy or a Request for Voting Instruction Form. If that is the case, **it is most important that you comply strictly with the instructions that have been given to you by your nominee on the voting instruction form.** If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your shares are not registered in your own name, the Company's transfer agent will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. **Please adhere strictly to the signature and return instructions provided by your nominee.** It is not necessary to complete the form in any other respect, since you will be voting at the meeting in person. Upon arrival at the meeting, please register with the representative of our transfer agent, Computershare Investor Services Inc., who will act as scrutineer for the meeting.

The Notice of Meeting and this Management Information Circular are being sent to both registered and non-registered owners of the Company's common shares. If you are a non-registered owner and we have sent these materials to you directly, your name and address and information about your holdings of common shares of the Company have been obtained in accordance with applicable securities regulatory requirements from the nominee holding the securities on your behalf. By choosing to send these materials to you directly, the Company (and not your nominee) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form that is included with this Circular.

In accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") of the Canadian Securities Administrators, the Company has elected to send proxy-related materials directly to non-objecting beneficial owners of its common shares. As the Company is unable to send proxy-related materials directly to the objecting beneficial owners ("OBOs") of its common shares (because OBOs are beneficial shareholders who have objected to the release of security ownership details to issuers), proxy-related materials for the meeting will be sent to OBOs indirectly through the intermediaries who hold securities on behalf of the OBOs. The intermediaries/brokers (or their service companies) are responsible for forwarding the proxy-related materials to their OBO clients. Management of the Company does not intend to pay for intermediaries to forward to their OBO clients the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* under NI 54-101 and, as such, OBOs will not receive the proxy-related materials in connection with the meeting unless the OBO's intermediary assumes the cost of delivery.

The Company has chosen to not use the notice-and-access delivery procedures provided by NI 54-101.

PART 2 – VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has authorized voting capital of an unlimited number of common shares without nominal or par value, of which 37,659,032 common shares were issued and outstanding at the close of business on November 24, 2016. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on November 24, 2016, the date fixed by our directors as the record date for determining who is entitled to receive notice of and to vote at the meeting.

To the best of the knowledge of our directors and officers, the only persons or companies who or which beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the issued common shares of the Company on November 24, 2016, the record date for the meeting, are as summarized in the table that follows.

<u>Name</u>	<u>Type of ownership</u>	<u>Number of common shares⁽¹⁾</u>	<u>Percentage</u>
Michael Wood ⁽²⁾	Direct	5,886,947 ⁽²⁾	15.63%

⁽¹⁾ Information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised has been furnished by the respective individual or has been extracted from insider reports filed by the individual and publicly available through the Internet on the Canadian System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

⁽²⁾ Michael Wood was appointed as a director of the Company on March 12, 2013, concurrent with completion of the share exchange transaction between the Company (then known as Clemson Resources Corp.) and Oyster Oil and Gas Limited, the Company's wholly-owned BVI subsidiary. He became President and Chief Executive Officer of the Company on April 11, 2013. See Part 3 – The Business of the Meeting – Election of Directors and Part 8 – Other Information – Interests of Informed Persons in Material Transactions.

PART 3 – THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended December 31, 2015 will be placed before you at the meeting. These financial statements, as well as Management's Discussion and Analysis for the period ended December 31, 2015, have been electronically filed with regulators and are available for viewing through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Copies of these audited annual financial statements and Management's Discussion and Analysis for the year ended December 31, 2015, will also be available at the Meeting or upon request by any shareholder who wishes to receive a copy. You may contact the Company at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3; telephone: (604) 628-5616; facsimile: (604) 662-7950.

ELECTION OF DIRECTORS

Directors of the Company are elected for a term of one year, the term of office of each of the current directors to expire at the meeting. We currently have for directors, all standing for re-election. Each of the nominees, if elected, will serve as a director until the close of the next annual general meeting, unless such director resigns or otherwise vacates office before that time.

Number of Directors

Under our Articles, the number of directors may be fixed or changed from time to time by ordinary resolution, but shall not be fewer than three. The Board of Directors believes that four is a sufficient number of directors to efficiently carry out the duties of the Board, as well as enhance the diversity of views, skills and experience the directors bring to the Board. **Unless you give other instructions, the persons designated by management in the enclosed form of proxy intend to vote FOR setting the number of directors at four.**

Nominees for Election

The following are the nominees of management proposed for election as directors of the Company, together with the number of common shares beneficially owned, directly or indirectly, or over which control or direction is

exercised, and the number of incentive stock options held by each nominee as of the record date for the meeting to which this Circular relates. Each of Bruce McNaught, Donald A. Sharpe, Gregory G. Turnbull and Michael Wood were elected as directors by shareholders at the last annual general meeting held on November 17, 2015. Each of the nominees has agreed to stand for election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for election, it is likely that one or more other persons would be nominated at the meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

We have not yet adopted advance notice provisions for nominations by shareholders of individuals for election as directors, nor have we adopted a majority voting policy for election of directors at uncontested shareholder meetings at which directors are to be elected. See Part 7 – Corporate Governance – Nomination and Election of Directors.

Voting for election of directors of the Company is by individual voting and not by slate voting. You can vote your shares for the election of all of these nominees as directors of the Company; or you can vote for some of these nominees for election as directors and withhold your votes for others; or you can withhold all of the votes attaching to the shares you own and, thus, not vote for the election of any of these nominees.

Management recommends that shareholders vote in favour of the following nominees for election as directors of the Company for the ensuing year. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the four nominees as directors of the Company for the ensuing year.**

<u>Name and place of residence</u>	<u>Principal occupation for the past five years</u>	<u>Director since</u>	<u>Number of common shares⁽¹⁾</u>	<u>Number of common shares underlying options</u>
Michael Wood⁽³⁾⁽⁴⁾ Guernsey, Channel Islands United Kingdom <i>Director, President and Chief Executive Officer</i>	Self-employed consultant; President and Chief Executive Officer (since April 11, 2013) (previously Chief Operating Officer from March 12 to April 11, 2013) of the Company; President and Chief Executive Officer (April to October 2011) of Range Energy Resources Inc., a junior natural resource, oil and gas issuer trading on the CNSX; President and Chief Executive Officer (October 2004 to April 2010) of Candax Energy Inc., an international energy company with head offices in Toronto, the shares of which trade on the TSX.	March 12, 2013	5,886,947	800,000
Bruce McNaught⁽²⁾ Guernsey, Channel Islands United Kingdom <i>Director & CFO</i>	Chartered Accountant; Managing Director from May 2010 to April 2016), Chamberlain Heritage Services Ltd., a privately-held corporate and management services firm licensed and regulated by the Guernsey Financial Services Commission; Deputy Managing Director (February 1998 to May 2010), Hansard Limited, a licensed Guernsey fiduciary services company providing professional trust and corporate services to clients worldwide.	June 10, 2013	241,983	300,000
Donald A. Sharpe⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Geophysicist; businessperson and President of D. Sharpe Management Inc., a private consulting firm.	April 19, 2013	500,000	400,000

<u>Name and place of residence</u>	<u>Principal occupation for the past five years</u>	<u>Director since</u>	<u>Number of common shares⁽¹⁾</u>	<u>Number of common shares underlying options</u>
Gregory G. Turnbull, QC ⁽²⁾⁽³⁾ Alberta, Canada <i>Director</i>	Lawyer; partner with McCarthy Tétrault.	July 21, 2014	1,000,000	350,000

⁽¹⁾ The information as to shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of management of the Company, has been furnished by the respective individual or has been extracted from insider reports filed by the individual and publicly available through the Internet on the Canadian System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

⁽²⁾ Member of the Audit Committee (see Part 6 – Audit Committee).

⁽³⁾ Member of the Strategic Corporate Advisory Committee (see Part 7 – Corporate Governance – Committees of the Board of Directors).

⁽⁴⁾ See Part 2 – Voting Shares and Principal Holders Thereof.

APPOINTMENT OF AUDITOR

At the Meeting, Dale Matheson Carr-Hilton LaBonte LLP will be recommended for appointment as auditor of the Company. Dale Matheson Carr-Hilton LaBonte LLP have served as the Company’s auditor since January 6, 2012, upon the resignation, at our request, of KPMG LLP, Chartered Accountants, who served as the Company’s auditor since December 2007.

Pursuant to the Company’s Articles, the directors are authorized to set the auditor’s remuneration. See Part 6 – Audit Committee – External Auditor Service Fees.

Management recommends that shareholders vote in favour of the appointment of Dale Matheson Carr-Hilton LaBonte LLP as the Company’s auditor for the ensuing year. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Dale Matheson Carr-Hilton LaBonte LLP as our auditor until the close of our next annual general meeting.**

ANNUAL APPROVAL OF STOCK OPTION PLAN

The policies of the TSX Venture Exchange (the “**Exchange**”) require that rolling stock option plans that set the number of shares issuable under the plan at a maximum of 10% of the issuer’s issued and outstanding shares at the time of grant must be approved and ratified by shareholders and submitted to the Exchange for approval on an annual basis. At the meeting, shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution giving annual approval to our Amended and Restated 2009 Stock Option Incentive Plan.

Summary of the Option Plan

Our Board of Directors adopted the 2009 Stock Option Incentive Plan (the “**2009 Plan**”) on May 27, 2009 and implemented it upon receipt of shareholder and Exchange approvals received June 30, 2009 and October 15, 2009, respectively. The 2009 Plan was amended and restated in December 2010 upon adoption by the Board of Directors of provisions relating to the Company’s tax withholding and remittance obligations on exercise of options, as a result of changes to the *Income Tax Act* (Canada). The 2009 Plan as amended and restated is referred to herein as the “**Option Plan**”, which must be approved and ratified by shareholders and submitted to the Exchange for approval on an annual basis.

The aggregate number of common shares reserved for issuance under the Option Plan, and common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company’s outstanding common shares at the time of grant. As of the date of

this Circular, there are options outstanding and governed by the Option Plan entitling our directors, officers and employees to purchase an aggregate 3,075,000 common shares of the Company (as summarized in the table below) and the number of common shares remaining available for future issuance pursuant to options to be granted under the Option Plan is 690,903.

The Option Plan is administered by our Board of Directors and provides for grants of options to directors, officers, employees of and consultants to the Company at the discretion of the Board. The term of any options granted under the Option Plan will be fixed by the Board of Directors and may not exceed ten years. The exercise price of options granted under the Option Plan will be determined by the Board of Directors, but the exercise price must not be less than the lowest price permitted by the Exchange. Any options granted pursuant to the Option Plan will terminate at the end of such period of time (to be determined in each instance by the Board of Directors at the time of grant) which shall not be in excess of six months after the option holder ceases to serve as a director, officer, employee of or consultant to the Company or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause. If no such specific period of time is determined by the Board at the time of grant, options terminate on the 30th day after the person ceases to be eligible under the Option Plan for any reason other than death, disability or cause. If such cessation is on account of disability or death, the options terminate on the first anniversary of such cessation, and if it is on account of termination of employment with cause, the options terminate immediately. Options granted to a person who is engaged in investor relations activities for the Company terminate on the 30th day after the person ceases to be employed to provide investor relations activities. The Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Company's shares.

Options to acquire more than 2% of the issued and outstanding common shares of the Company may not be granted to any one consultant in any 12 month period and options to acquire more than an aggregate of 2% of the issued and outstanding common shares of the Company may not be granted to persons employed to provide investor relations activities in any 12 month period. Options granted to any one individual in any 12 month period to acquire common shares representing more than 5% of the issued and outstanding common shares of the Company require approval by the Company's disinterested shareholders. Disinterested shareholder approval is required if the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeds 10% of the Company's issued shares.

Subject to the approval of any stock exchange on which the Company's securities are then listed, the Board may terminate, suspend or amend the terms of the Option Plan, provided that the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval as contemplated by the policies of the Exchange, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

- increase the aggregate number of common shares which may be issued under the Option Plan;
- materially modify the requirements as to the eligibility for participation in the Option Plan that would have the potential of broadening or increasing Insider participation;
- add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Option Plan;
- add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Option Plan reserve; and
- materially increase the benefits accruing to participants under the Option Plan.

However, the Board may amend the terms of the Option Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

- amendments to the Option Plan of a housekeeping nature;
- a change to the vesting provisions of a security or the Option Plan; and
- a change to the termination provisions of a security or the Option Plan which does not entail an extension beyond the original expiry date.

A copy of the Option Plan is available for viewing by shareholders at the Company's registered office located at Suite 409, 221 West Esplanade North Vancouver, B.C. V7M 3J3, during normal business hours at any time up to

and including the day prior to the day of the meeting or any adjournment thereof, as well as at the meeting to which this Circular relates.

See also in this Circular Part 4 – Executive Compensation – Compensation Discussion and Analysis – Option Based Awards.

Approval of the Option Plan

The Option Plan must be approved annually by shareholders, as well as by the Exchange. Shareholders will be asked at the meeting to vote on the following ordinary resolution:

“RESOLVED THAT:

1. the Company’s Amended and Restated 2009 Stock Option Incentive Plan (the “Option Plan”), all as more particularly described in the Company’s Information Circular dated November 30, 2016, with such changes to the Option Plan as may be required by the TSX Venture Exchange, is approved, ratified and confirmed; and
2. any director or officer of the Company is hereby authorized for and on behalf of the Company to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.”

Recommendation

We believe the Option Plan enables us to better align the interests of our directors and officers with those of our shareholders and reduces the cash compensation the Company would otherwise have to pay. **Management recommends that shareholders vote FOR the resolution giving annual approval of the Option Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution approving the Option Plan.**

PART 4 – EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation objectives and processes and to discuss compensation decisions relating to our named executive officers (“**Named Executive Officers**”) listed in the Summary Compensation Table that follows. During the financial year ended December 31, 2015, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Company:

- Michael Wood, President and Chief Executive Officer (since April 11, 2013);
- Bruce McNaught, Director (since June 10, 2013) and Chief Financial Officer (since October 30, 2015); and
- Dr. Phillip Roach, Exploration Consultant (since March 12, 2013).

Although the Company currently has certain cash resources available to it from the sale of its former business, it will have no significant revenues from operations for the foreseeable future. The Company has historically had to, and expects it may have to in the future, rely on equity financing to maintain its operations. As such, our Board of Directors will continue to consider not only the financial situation of the Company at the time of the determination of executive compensation, but also the estimated financial situation of the Company in the mid- and long-term. Additional information about the Company and its operations is available in our audited consolidated financial

statements and Management's Discussion & Analysis for the year ended December 31, 2015, which have been electronically filed with regulators and are available for viewing through the Internet on the website for the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Compensation Objectives and Principles

The primary goal of our executive compensation process is to attract and retain the key executives necessary for the Company's long term success, to encourage executives to further the development of the Company and our operations, and to motivate quality and experienced executives. The key elements of executive compensation awarded by the Company are base salary or fee, potential for annual incentive award and incentive stock options. Our directors are of the view that all elements should be considered, rather than any single element.

Compensation Process

We rely solely on our Board of Directors, through discussion without any formal objectives or criteria, to determine the compensation of our executive officers. The Board of Directors is responsible for determining all forms of compensation of, including long-term incentives in the form of stock options to be granted to, our Named Executive Officers, as well as our other officers, employees and directors, to ensure such arrangements reflect the responsibilities and risks associated with each position. The Board may seek advice from independent compensation consultants or advisors as and when it deems appropriate to assist them in determining compensation for any of the Company's executive officers or directors. During the fiscal year ended December 31, 2015, the Board did not seek such counsel. We do not at this time have a compensation committee.

When determining the compensation of our officers, the Board considers: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and our shareholders; iv) rewarding performance, both on an individual basis and with respect to operations in general; and v) available financial resources.

Option Based Awards

Options to purchase common shares of the Company are intended to align the interests of our directors and executive officers with those of our shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value and to reduce the cash compensation the Company would otherwise have to pay. The Option Plan is administered by our Board of Directors. In establishing the number of the incentive stock options to be granted to the Named Executive Officers, the Board of Directors considers previous grants of options and 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 and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation. See "Incentive Plan Awards – Outstanding Option-Based Awards" below, as well as Part 3 – The Business of the Meeting – Annual Approval of Stock Option Plan and Part 5 – Securities Authorized for Issuance under Equity Compensation Plans.

Benefits and Perquisites

The Company does not, as of the date of this Circular, offer any benefits or perquisites to its Named Executive Officers that are not generally available to all employees.

Risks Associated with the Company's Compensation Practices

Our Board of Directors has not, as yet, collectively considered the implications of the risks to the Company associated with decisions regarding compensation of its executive officers.

Hedging by Executive Officers or Directors

We have not, as yet, adopted a policy restricting our executive officers or directors from purchasing instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designated to hedge or offset a decrease in market value of equity securities granted as compensation

or held, directly or indirectly, by our executive officers or directors. As of the date of this Circular, entitlement to grants of incentive stock options under the Option Plan is the only equity security element awarded by the Company to its executive officers and directors.

Summary Compensation Table

The following table provides a summary of the compensation earned by, paid to, or accrued and payable to, each Named Executive Officer during the fiscal year ended December 31, 2015, and comparative detail for the prior fiscal years ended December 31, 2014 and 2013. Amounts reported in the table below are in Canadian dollars, the currency that the Company uses in its consolidated financial statements.

Name and principal position	Fiscal year ended Dec 31	Salary and/or fee (\$)	Option-based awards (\$)	Share-based awards (\$)	Non-equity incentive plan compensation (\$)			Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans	All other compensation (\$)	
Michael Wood ⁽¹⁾ <i>President & CEO</i>	2015	200,000 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	200,000
	2014	200,000 ⁽¹⁾	28,558 ⁽²⁾	Nil	Nil	Nil	Nil	228,558
	2013	162,261 ⁽¹⁾	192,960 ⁽³⁾	N/A	N/A	N/A	N/A	355,221
Bruce McNaught ⁽⁴⁾ <i>Director & CFO</i>	2015	30,000	Nil	Nil	Nil	Nil	Nil	30,000
	2014	30,000	Nil	Nil	Nil	Nil	Nil	30,000
	2013	23,750	48,240 ⁽⁵⁾	Nil	Nil	Nil	Nil	71,990
Martin Bajic ⁽⁶⁾ <i>former CFO</i>	2015	35,000	Nil	Nil	Nil	Nil	Nil	35,000
	2014	60,000	Nil	Nil	Nil	Nil	Nil	60,000
	2013	60,000	Nil ⁽⁶⁾	Nil	Nil	Nil	Nil	60,000
Phillip Roach ⁽⁷⁾ <i>Exploration Consultant</i>	2015	70,706	Nil	Nil	Nil	Nil	Nil	70,706
	2014	152,916	Nil	Nil	Nil	Nil	Nil	152,916
	2013	112,276 ⁽⁷⁾	96,480 ⁽⁸⁾	N/A	N/A	N/A	N/A	208,756

⁽¹⁾ Mr. Wood was appointed President and Chief Executive Officer of the Company on April 11, 2013. See “Employment/Consulting Agreements; Termination and Change of Control Benefits” below.

⁽²⁾ Grant date fair value of options to purchase 50,000 common shares in the capital of the Company at a per share price of \$0.45 until March 4, 2019 (see commentary below).

⁽³⁾ Grant date fair value of options to purchase 400,000 common shares in the capital of the Company at a per share price of \$0.55 until April 20, 2018 (see commentary below).

⁽⁴⁾ Bruce McNaught has been a director of the Company since June 10, 2013 and was appointed as Chief Financial Officer on October 30, 2015.

⁽⁵⁾ Grant date fair value of options to purchase 100,000 common shares in the capital of the Company at a per share price of \$0.55 until April 20, 2018. (see commentary below).

⁽⁶⁾ Mr. Bajic was a director of the Company since July 3, 2008 and was Chief Financial Officer since December 8, 2008. Mr. Bajic receives no additional compensation from the Company for serving as a director. Mr. Bajic resigned as Chief Financial Officer as of October 30, 2016.

⁽⁷⁾ Party to a Consulting Services Agreement with the Company. See “Employment/Consulting Arrangements; Termination and Change of Control Benefits” and “Management Contracts” below.

⁽⁸⁾ Grant date fair value of options to purchase 200,000 common shares in the capital of the Company at a per share price of \$0.55 until April 20, 2018 (see commentary below).

The grant date fair value of the options granted to our Named Executive Officers during the fiscal year ended December 31, 2015, and during the fiscal years ended December 31, 2014 and 2013, as noted in the table above, is estimated using the Black-Scholes option pricing model. See Note 9 to the Company’s audited consolidated financial statements for the years ended December 31, 2015 and 2014, and Note 10 to the Company’s audited consolidated financial statements for the year ended December 31, 2013, for the assumptions and estimates used for these calculations.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets out option-based awards granted to our Named Executive Officers that were outstanding as at December 31, 2015, including incentive stock options that were granted to our Named Executive Officers during the fiscal year ended December 31, 2015, all of which are fully vested.

Other than incentive stock options granted under the Option Plan, no other share-based awards have been granted to our Named Executive Officers.

Named Executive Officer	Option-based Awards				Share-based Awards		
	Number of common shares underlying unexercised options (#)	Option exercise price per common share (\$)	Option expiry date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Michael Wood	50,000	0.50	Mar 4, 2019	Nil	N/A	N/A	N/A
	400,000	0.55	Apr 20, 2018	Nil			
Bruce McNaught	100,000	0.55	Apr 20, 2018	Nil	N/A	N/A	N/A
Martin Bajic	225,000	0.15	Sep 17, 2017	6,750	N/A	N/A	N/A
Phillip Roach	200,000	0.55	Apr 20, 2018	Nil	N/A	N/A	N/A

⁽¹⁾ The value of unexercised “in-the-money options” at the end of the fiscal period is the difference between the option exercise price and the market value of the underlying stock on the Exchange on December 30, 2015, the last day that the common shares traded on the Exchange prior to December 31, 2015, which was \$0.18.

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. Options granted by the Company to its Named Executive Officers during the most recently completed financial year were fully vested on the date of grant, and the exercise price was the same as, or higher than, the market price of the underlying shares on the date of grant. Further, all options granted by the Company to its Named Executive Officers in years prior to the most recent fiscal year ended December 31, 2015, were also fully vested on the date of grant. As such, there was no value earned by the Named Executive Officers as a result of options vesting during the fiscal year ended December 31, 2015.

No options were exercised by our Named Executive Officers during the fiscal year ended December 31, 2015, and, as such, no value was earned by our Named Executive Officers during the fiscal year ended December 31, 2015, as a result of exercise of options.

Pension Plan Benefits

The Company does not offer any pension plan benefits to its Named Executive Officers.

Employment/Consulting Arrangements; Termination and Change of Control Benefits

Following is a summary of each contract, agreement, plan or arrangement between the Company and a Named Executive Officer that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of the Company or a change in a Named Executive Officer’s responsibilities.

Michael Wood, President and Chief Executive Officer

Effective March 12, 2013, concurrent with the appointment of Michael Wood as Chief Operating Officer of the Company on completion of the business combination between the Company and its now wholly-owned subsidiary, the Company entered into a Consulting Services Agreement with Michael Wood (the “**Wood Agreement**”) pursuant to which Mr. Wood agreed to provide consulting services to the Company including but not limited to consulting services customarily provided by a chief operating officer of a public company, including but not limited to, corporate and general management services and such other services as may be agreed upon by the Company and Mr. Wood from time to time. On April 11, 2013, Michael Wood was appointed President and Chief Executive Officer of the Company.

Pursuant to the terms of the Wood Agreement, the Company will pay Mr. Wood an annual fee of \$200,000, exclusive of GST or HST or any other applicable sales or goods and services tax, payable on a monthly basis in twelve equal monthly payments per annum, in arrears on the fifth working day of each month. Mr. Wood is also entitled to grants of incentive stock options at the discretion of the Board of Directors and to be reimbursed for reasonable expenses actually incurred in performing services on the Company’s behalf. Expenses (including but not limited to comprehensive insurance in respect of travel and employer’s and public liability insurance) are to be reimbursed on a monthly basis upon presentation of an invoice supported by adequate receipts, reimbursed within five working days of presentation thereof. The Company is to provide directors and officers insurance with sufficient coverage appropriate for a public company operating in the particular sectors of operation of the Company.

The Wood Agreement was for an initial term of one year, subsequent to which it will continue on a month-to-month basis until terminated in accordance with its terms. The Company may terminate the Wood Agreement at any time, effective immediately on notice of such termination to Mr. Wood for cause, which includes a breach by Mr. Wood of any of the terms of the Wood Agreement that Mr. Wood fails to cure within 30 days of notice in writing from the Company of such breach. The Company may also terminate Mr. Wood’s engagement under the Wood Agreement at any time without cause, effective after giving Mr. Wood at least six months’ notice of its intention to so terminate, provided, however, that the Company may only give a notice of termination without cause after the expiration of the initial one year term. If within three months after a change of control (as such term is defined in the Wood Agreement) either the Company gives Mr. Wood notice of termination of the engagement under the Wood Agreement without cause or Mr. Wood gives the Company notice of the termination of his engagement under the Wood Agreement, then the engagement of Mr. Wood under the Wood Agreement shall terminate effective on the giving of the notice and the Company shall pay Mr. Wood an amount equal to the annual fee which would otherwise be payable to Mr. Wood had he been given twelve months’ notice of termination (as of the end of the Company’s most recently completed financial year ended December 31, 2015, payment in lieu of notice would have been \$200,000). Mr. Wood may terminate his engagement under the Wood Agreement at any time and for any reason, effective after giving the Company at least six months’ notice of his intention to so terminate, provided, however, that he may only give a notice of termination to the Company after the expiration of the initial one year term. The Company may at its option, in lieu of giving the period of notice prescribed by the terms of the Wood Agreement, terminate the engagement of Mr. Wood effective immediately on notice of such termination, in which case the Company will pay to Mr. Wood on the date of termination an amount equal to the prorated annual fee which would otherwise be payable to Mr. Wood during the notice period (as of the end of the Company’s most recently completed financial year ended December 31, 2015, payment in lieu of notice would have been a maximum of \$100,000 in lieu of six months’ notice). At any time after Mr. Wood gives notice of termination, the Company may, at its option, terminate Mr. Wood’s engagement effective immediately on notice of such termination, in which case the Company will pay to Mr. Wood on the date of termination an amount equal to the prorated annual fee which would otherwise be payable during the balance of the notice period (as of the end of the Company’s most recently completed financial year ended December 31, 2015, payment in lieu of notice would have been a maximum of \$100,000 in lieu of six months’ notice).

The Wood Agreement also contains standard confidentiality and non-disclosure commitments that are typical of an agreement of its nature.

As of the date of this Circular, the Wood Agreement remains in effect.

Bruce McNaught, Chief Financial Officer

Effective March 19, 2013, Company entered into a Consulting Services Agreement with Bruce McNaught (the “**McNaught Agreement**”) pursuant to which Mr. McNaught agreed to provide consulting services to the Company including but not limited to consulting services customarily provided by a chief financial officer of a public company, including but not limited to, financial and corporate management services and such other services as may be agreed upon by the Company and Mr. McNaught from time to time.

Pursuant to the terms of the McNaught Agreement, the Company will pay Mr. McNaught an annual fee of \$30,000 and to be reimbursed for reasonable expenses actually incurred in performing services on the Company’s behalf. The Company may terminate the McNaught Agreement at any time, effective immediately on notice of such termination to Mr. McNaught for cause, which includes a breach by Mr. McNaught of any of the terms of the McNaught Agreement that Mr. McNaught fails to cure within 30 days of notice in writing from the Company of such breach. The Company may also terminate Mr. McNaught’s engagement under the McNaught Agreement at any time without cause, effective after giving Mr. McNaught at least three months’ notice of its intention to so terminate, provided, however, that the Company may only give a notice of termination without cause after the expiration of the initial six month term. If within three months after a change of control (as such term is defined in the McNaught Agreement) either the Company gives Mr. McNaught notice of termination of the engagement under the McNaught Agreement without cause or Mr. McNaught gives the Company notice of the termination of his engagement under the McNaught Agreement, then the engagement of Mr. McNaught under the McNaught Agreement shall terminate effective on the giving of the notice and the Company shall pay Mr. McNaught an amount equal to the annual fee which would otherwise be payable to Mr. McNaught had he been given twelve months’ notice of termination (as of the date of this Circular, payment in lieu of notice would have been \$30,000). Mr. McNaught may terminate his engagement under the McNaught Agreement at any time and for any reason, effective after giving the Company at least six months’ notice of his intention to so terminate, provided, however, that he may only give a notice of termination to the Company after the expiration of the initial six month term. The Company may at its option, in lieu of giving the period of notice prescribed by the terms of the McNaught Agreement, terminate the engagement of Mr. McNaught effective immediately on notice of such termination, in which case the Company will pay to Mr. McNaught on the date of termination an amount equal to the prorated annual fee which would otherwise be payable to Mr. McNaught during the notice period (as of the date of this Circular, payment in lieu of notice would have been \$7,500). At any time after Mr. McNaught gives notice of termination, the Company may, at its option, terminate Mr. McNaught’s engagement effective immediately on notice of such termination, in which case the Company will pay to Mr. McNaught on the date of termination an amount equal to the prorated annual fee which would otherwise be payable during the balance of the notice period.

The McNaught Agreement also contains standard confidentiality and non-disclosure commitments that are typical of an agreement of its nature.

As of the date of this Circular, the McNaught Agreement remains in effect.

Management Contracts

The management functions of the Company and its subsidiaries are substantively performed by the directors and executive officers of the Company and we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company except for the arrangements described below.

Approach Geophysics Ltd. (Dr. Phillip Roach) – Consulting Services Agreement

Effective March 12, 2013, in conjunction with completion of the business combination between the Company and its now wholly-owned subsidiary, the Company entered into a Consulting Services Agreement (the “**Roach Agreement**”) with Approach Geophysics Ltd. (“**Approach Geophysics**”) pursuant to which Dr. Phillip Roach agreed to provide consulting services to the Company customarily provided by a senior executive of a public company, including but not limited to technical, corporate and general management services and such other services as may be agreed upon by the Company and Approach Geophysics from time to time.

Pursuant to the terms of the Roach Agreement and in consideration of the services to be provided by Approach Geophysics, the Company will pay Approach Geophysics a monthly retainer of \$6,750 and a pro-rated day rate of \$1,350 per diem for any additional services agreed to by the Company and Approach Geophysics for his services, exclusive of GST or HST or any other applicable sales or goods and services tax. Approach Geophysics is also entitled to grants of incentive stock options at the discretion of the Board of Directors and to be reimbursed for reasonable expenses actually incurred in performing services on the Company's behalf. Expenses (including but not limited to travel costs, other business related expenses and administrative costs including telephone charges) are to be reimbursed on a monthly basis upon presentation of an invoice supported by adequate receipts, reimbursed within five working days of presentation thereof.

The Roach Agreement was for an initial term of one year, subsequent to which it will continue on a month-to-month basis until terminated in accordance with its terms. The Company may terminate the Roach Agreement at any time, effective immediately on notice of such termination to Approach Geophysics for cause, which includes a breach by Approach Geophysics of any of the terms of the Roach Agreement that Approach Geophysics fails to cure within 30 days of notice in writing from the Company of such breach. The Company may also terminate the engagement under the Roach Agreement at any time without cause, effective after giving Approach Geophysics at least three months' notice of its intention to so terminate. If within three months after a change of control (as such term is defined in the Roach Agreement) either the Company gives Approach Geophysics notice of termination of the engagement under the Roach Agreement without cause or Approach Geophysics gives the Company notice of the termination of its engagement under the Roach Agreement, then the engagement of Approach Geophysics under the Roach Agreement shall terminate effective on the giving of the notice and the Company shall pay Approach Geophysics an amount equal to the fee which would otherwise be payable to Approach Geophysics had it been given three months' notice of termination. Approach Geophysics may terminate its engagement under the Roach Agreement at any time and for any reason, effective after giving the Company at least three months' notice of its intention to so terminate. The Company may at its option, in lieu of giving the period of notice prescribed by the terms of the Roach Agreement, terminate the engagement of Approach Geophysics effective immediately on notice of such termination, in which case the Company will pay to Approach Geophysics on the date of termination an amount equal to the fee which would otherwise be payable to Approach Geophysics during the notice period. At any time after Approach Geophysics gives notice of termination, the Company may, at its option, terminate the engagement effective immediately on notice of such termination, in which case the Company will pay to Approach Geophysics on the date of termination an amount equal to the fee which would otherwise be payable during the balance of the notice period.

The Roach Agreement also contains standard confidentiality and non-disclosure commitments that are typical of an agreement of its nature.

As of the date of this Circular, the Roach Agreement remains in effect.

Shaji Ravindran – Consulting Services Agreement

Effective March 12, 2013, in conjunction with completion of the business combination between the Company and its now wholly-owned subsidiary, the Company entered into a Consulting Services Agreement with Shaji Ravindran (the "**Ravindran Agreement**") pursuant to which Mr. Ravindran agreed to provide consulting services to the Company customarily provided by a senior executive of a public company, including but not limited to corporate and general management services related to the Company's operations in Djibouti, and such other services as may be agreed upon by the Company and Mr. Ravindran from time to time.

Pursuant to the terms of the Ravindran Agreement, the Company will pay Mr. Ravindran an annual fee of \$48,000, exclusive of GST or HST or any other applicable sales or goods and services tax, payable on a monthly basis in twelve equal monthly payments per annum, in arrears on the fifth working day of each month. Mr. Ravindran is also entitled to grants of incentive stock options at the discretion of the Board of Directors and to be reimbursed for reasonable expenses actually incurred in performing services on the Company's behalf. Expenses (including but not limited to travel costs, other business related expenses and administrative costs including telephone charges) are to be reimbursed on a monthly basis upon presentation of an invoice supported by adequate receipts, reimbursed within five working days of presentation thereof.

The Ravindran Agreement was for an initial term of one year, subsequent to which it will continue on a month-to-month basis until terminated in accordance with its terms. The Company may terminate the Ravindran Agreement at any time, effective immediately on notice of such termination to Mr. Ravindran for cause, which includes a breach by Mr. Ravindran of any of the terms of the Ravindran Agreement that Mr. Ravindran fails to cure within 30 days of notice in writing from the Company of such breach. The Company may also terminate Mr. Ravindran's engagement under the Ravindran Agreement at any time without cause, effective after giving Mr. Ravindran at least three months' notice of its intention to so terminate, provided, however, that the Company may only give a notice of termination without cause after the expiration of the initial one year term. If within three months after a change of control (as such term is defined in the Ravindran Agreement) either the Company gives Mr. Ravindran notice of termination of the engagement under the Ravindran Agreement without cause or Mr. Ravindran gives the Company notice of the termination of its engagement under the Ravindran Agreement, then the engagement of Mr. Ravindran under the Ravindran Agreement shall terminate effective on the giving of the notice and the Company shall pay Mr. Ravindran an amount equal to the fee which would otherwise be payable to Mr. Ravindran had it been given three months' notice of termination. Mr. Ravindran may terminate its engagement under the Ravindran Agreement at any time and for any reason, effective after giving the Company at least three months' notice of its intention to so terminate, provided, however, that it may only give a notice of termination to the Company after the expiration of the initial one year term. The Company may at its option, in lieu of giving the period of notice prescribed by the terms of the Ravindran Agreement, terminate the engagement of Mr. Ravindran effective immediately on notice of such termination, in which case the Company will pay to Mr. Ravindran on the date of termination an amount equal to the prorated annual fee which would otherwise be payable to Mr. Ravindran during the notice period. At any time after Mr. Ravindran gives notice of termination, the Company may, at its option, terminate Mr. Ravindran's engagement effective immediately on notice of such termination, in which case the Company will pay to Mr. Ravindran on the date of termination an amount equal to the prorated annual fee which would otherwise be payable during the balance of the notice period.

The Ravindran Agreement also contains standard confidentiality and non-disclosure commitments that are typical of an agreement of its nature.

As of the date of this Circular, the Ravindran Agreement remains in effect.

Director Compensation

The Company does not pay its directors a fee for acting as such. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors and the Company may, from time to time, grant incentive stock options to purchase common shares to its directors (see "Outstanding Option-Based Awards" below).

The following disclosure excludes compensation of Michael Wood, and Bruce McNaught, who are, as of the date of this Circular, and were Named Executive Officers during the most recently completed financial year and whose compensation is disclosed above at Part 4 – Executive Compensation – Summary Compensation Table. Messrs. Wood, and McNaught received no additional compensation from the Company during the year ended December 31, 2015, to that disclosed in the Summary Compensation Table, for serving as directors.

<u>Name</u>	<u>Director Fees earned (\$)</u>	<u>Share-based awards (\$)</u>	<u>Option-based awards (\$)</u>	<u>Non-equity incentive plan compensation (\$)</u>	<u>All other compensation (\$)</u>	<u>Total (\$)</u>
Donald Sharpe	Nil	Nil	Nil	Nil	Nil	Nil
Gregory G. Turnbull	Nil	Nil	Nil	Nil	Nil	Nil

The grant date fair value of the options granted to our non-executive directors during the fiscal year ended December 31, 2015, as noted in the table above, is estimated using the Black-Scholes option pricing model. See Note 9 to the Company's audited consolidated financial statements for the year ended December 31, 2015, for the assumptions and estimates used for this calculation.

Outstanding Option-Based Awards

The following table sets out option-based awards granted to the Company's non-executive directors that were outstanding as at December 31, 2015, all of which are fully vested. Other than incentive stock options granted under the Option Plan, no share-based awards have been granted to our directors. The following table excludes detail of options granted to our executive directors, Michael Wood and Bruce McNaught, which is disclosed above at Part 4 – Executive Compensation – Incentive Plan Awards – Outstanding Option-Based Awards.

Name	Option-based Awards				Share-based Awards		
	Number of common shares underlying unexercised options (#)	Option exercise price per common share (\$)	Option expiry date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Donald Sharpe	50,000	0.45	Mar 4, 2019	Nil	N/A	N/A	N/A
	100,000	0.68	Apr 20, 2018	Nil			
Gregory G. Turnbull	50,000	0.50	Jul 21, 2019	Nil	N/A	N/A	N/A
	50,000	0.45	Mar 4, 2019	Nil			

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. Options granted by the Company during the most recently completed financial year to our directors were fully vested on the date of grant, and the exercise price was the same as, or greater than, the market price of the underlying shares on the date of grant. Further, all options granted by the Company to the directors in years prior to the most recent fiscal year ended December 31, 2015, were also fully vested on the date of grant. As such, there was no value earned by the Company's non-executive directors as a result of options vesting during the fiscal year ended December 31, 2015.

No options were exercised by our directors during the fiscal year ended December 31, 2015, and, as such, no value was earned by the directors during the fiscal year ended December 31, 2015, as a result of exercise of options.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as of December 31, 2015, the Company's most recently completed financial year.

Plan Category	Number of securities ⁽¹⁾ 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 ⁽²⁾	2,025,000	\$0.41	1,740,903
Equity compensation plans not approved by securityholders.....	Not applicable	Not applicable	Not applicable

- (1) Securities underlying options are common shares in the capital of the Company.
- (2) For a summary of the main features of the Company's Amended and Restated 2009 Stock Option Incentive Plan, see Part 3 – The Business of the Meeting – Annual Approval of Stock Option Plan.

PART 6 – AUDIT COMMITTEE

Audit Committee Charter

The charter for the Audit Committee of the Board of Directors of the Company is attached to this Circular as Appendix A.

Audit Committee Members

Gregory Turnbull, Bruce McNaught and Donald Sharpe are the members of the Company's Audit Committee. Gregory Turnbull and Donald Sharpe are considered "independent" applying the guidelines of applicable securities legislation for determining independence and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's consolidated financial statements. See Part 7 – Corporate Governance – Board of Directors.

The Company's Audit Committee meets the requirements of the policies of the TSX Venture Exchange in that two of the three members (Gregory Turnbull and Donald Sharpe) are not officers, employees or control persons of the Company or of any of its associates or affiliates.

Relevant Education and Experience

All of the Audit Committee members have experience in financial matters and each has an understanding of accounting principles used to prepare financial statements and as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting.

Gregory Turnbull, QC

Gregory Turnbull, QC is a partner with McCarthy Tétrault. During his career, he has dealt with all aspects of a public company's creation, growth, and value maximization. He has experience in corporate finance and securities transactions, including public and private share and debt financings, takeover bids, initial public offerings, business combinations and international stock exchange listings. He provides advice on various corporate finance transactions and has been actively involved in the initial public offerings of more than 40 companies. In particular Mr Turnbull has extensive experience with the international oil and gas sector.

Bruce McNaught

Bruce McNaught is a Fellow of the Institute of Chartered Accountants (FCA) in England, a Trust and Estate Practitioner (TEP) and holds a Bachelor of Arts (Hons) degree in Accountancy. Having spent 30 years between London and the offshore fiduciary industry in Guernsey, he has gained broad experience with international businesses in the hydrocarbon industry, financial services and other multinational operations.

Donald Sharpe

Donald Sharpe is a professional geophysicist with over 30 years of experience in the oil and gas business, in exploration, production, marketing, finance and the management of public companies. Mr. Sharpe started his career in oil and gas exploration with Suncor Inc. as an exploration geophysicist and later a group leader, planning, budgeting and executing exploration programs. Operating under the umbrella of D. Sharpe Management Inc., Mr. Sharpe has consulted to, managed and served as a director of a number of start-up oil and gas companies. Mr. Sharpe is a member of the Association of Professional Engineers and Geoscientists of Alberta and the Canadian Society of Exploration Geophysicists. Mr. Sharpe received a Bachelor of Science degree in Geophysics from the University of British Columbia in 1981, a Certificate in Business Management from the University of Calgary in 1989, and graduated from the Banff School of Advanced Management in 1991. Mr. Sharpe is a graduate of the ICD Director's Education Program.

External Auditor Service Fees

Audit, audit related and tax fees billed by the Company’s external auditors during the Company’s two most recently completed fiscal years are summarized in the table that follows. Dale Matheson Carr-Hilton LaBonte LLP has served as the Company’s auditor since January 2012. See Part 3 – The Business of the Meeting – Appointment of Auditor.

	Fiscal year ended December 31, 2015	Fiscal year ended December 31, 2014
Audit fees.....	\$23,460	\$23,970
Audit related fees.....	Nil	Nil
Tax fees	\$2,000 ⁽¹⁾	2,000 ⁽¹⁾
All other fees	Nil	Nil

⁽¹⁾ Aggregate fees for preparation of the Company’s tax returns and related filings, as well as providing general taxation advice.

Audit Committee Oversight

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

Pre-Approved Policies and Procedures for Non-Audit Services

The Audit Committee Charter requires that the Audit Committee pre-approve any engagements for non-audit services to be provided to the Company by our external auditor prior to engaging the external auditor to perform such non-audit services.

Reliance on Certain Exemptions

As the Company is a “Venture Issuer” pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110. At no time since the commencement of the Company’s most recently completed financial year ended December 31, 2015 has the Company relied on:

- the exemption in Section 2.4 of NI 52-110 – *Audit Committees (De Minimis Non-audit Services)*, or
- an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

PART 7 – CORPORATE GOVERNANCE

Board of Directors

The Board of Directors of the Company believes in the exercise of independent supervision over management and strives to ensure that the Board is adequately represented by independent directors. The Board, at present, is comprised of Four directors, two of whom (Donald Sharpe and Gregory Turnbull) are considered to be independent applying the guidelines included in applicable securities legislation for determining independence. In determining whether a director is independent the Board considers, for example, whether the director has any interests or relationships which could, or could be perceived to, interfere with the director’s ability to objectively assess the performance of management, or to exercise independent judgement in the best interests of the Company. On this basis, Michael Wood, by reason of his office as President and Chief Executive Officer, and Bruce McNaught, by reason of his office as Chief Financial Officer, are not considered to be independent. Bruce McNaught is also not considered to be independent of management as he provides management consulting services to the Company under the terms of a Consulting Services Agreement and is paid fees for those services (see Part 4 – Executive Compensation – Director Compensation).

Directorships with Other Issuers

Certain of the directors of the Company are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name	Other Reporting Issuer
Bruce McNaught	None
Donald Sharpe	None
Gregory Turnbull	Crescent Point Energy Corp. Crescent Point General Partner Corp. Marquee Energy Ltd. Storm Resources Ltd.
Michael Wood	None

Orientation and Continuing Education

We have not yet developed an official orientation or training program for new directors. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board as and when this becomes necessary. New directors will become familiar with the Company by meeting with senior management to discuss responsibilities, the Company's business, technology and the industry. Furthermore, directors are provided with information regarding the role of the Board and its committees, the expectations of individual directors and the nature and operation of the Company's business. Directors are also provided with continuing education opportunities to enhance their skills and abilities and understanding of the Company's business.

Management endeavours to provide a continuous flow of information to its directors for continuing education purposes relating to the Company's business and operations, as well as information and other initiatives intended to keep the Board abreast of new developments and challenges that the Company may face; however, each director is responsible for keeping informed about the business of the Company and developments in the industry.

Ethical Business Conduct

Our Board monitors the ethical conduct of the Company in conducting its business and operations and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by applicable corporate law, as well as the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to date to ensure that the Board operates independently of management and in the best interests of our business and operations, as well as shareholders' interests.

Nomination and Election of Directors

The Board of Directors considers its size each year when it determines the number of directors to recommend to its shareholders for election at each annual general meeting, taking into account the number required to carry out the Board's duties effectively and to maintain diversity of view and experience. The Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. In identifying new candidates for nomination to the Board, the current Board members consider the strategic plans of the Company and the competencies and skills of the existing directors. When looking at new candidates, the Board considers the potential candidate's knowledge of the industry and business, their professional background, their corporate governance experience and independence, their ability to devote the time required to meet the Company's needs, and whether the candidate would complement the competencies and skills of the existing directors.

We have not yet considered adopting an advance notice policy or procedures requiring that a shareholder proposing to nominate a person for election as a director at a meeting of shareholders must provide the Company with advance notice of, and prescribed details concerning, the proposed nominee.

Voting for election of directors of the Company is by individual voting and not by slate voting. We have not, as yet, adopted a majority voting policy for election of directors at uncontested shareholder meetings at which directors are to be elected.

Compensation

The Board of Directors is responsible for determining all forms of compensation to be granted to our Chief Executive Officer, our Chief Financial Officer, to other members of senior management and to the directors. See Part 4 – Executive Compensation.

Committees of the Board of Directors

As of the date of this Circular, our Board of Directors has appointed the Audit Committee and a Strategic Corporate Advisory Committee.

Audit Committee

See Part 6 – Audit Committee.

Strategic Corporate Advisory Committee

Gregory Turnbull, Donald Sharpe and Michael Wood are the members of the Company's Strategic Corporate Advisory Committee.

Assessments

The Board does not yet formally review the contributions of individual directors. At this point, the directors believe that the Board's current size facilitates informal discussion and evaluation of members' contributions within that framework.

PART 8 – OTHER INFORMATION

Indebtedness of Directors and Executive Officers

Since the beginning of the most recently completed financial year ended December 31, 2015, and as at the date of this Circular, no director, executive officer or employee, or former director, executive officer or employee of the Company or its subsidiaries, nor any nominee for election as a director of the Company, nor any associate of any such person, has been or is indebted to the Company for other than "routine indebtedness", as that term is defined by applicable securities legislation, nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

Interests of Informed Persons in Material Transactions

No proposed nominee for election as a director, and no director or executive officer of the Company or any of its subsidiaries who has served in such capacity since the beginning of the Company's most recently completed financial year ended December 31, 2015, and, to the best of the knowledge of management, no shareholder holding of record or beneficially, directly or indirectly, more than 10% of the Company's outstanding common shares, nor any of the respective associates or affiliates of any of the foregoing had any material interest in any transaction with the Company since the beginning of the most recently completed financial year, or in any proposed transaction, that has materially affected the Company or any of its subsidiaries or is likely to do so.

Interests of Certain Persons in Matters to be Acted Upon at the Meeting

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's most recently completed financial year ended December 31, 2015, none of the

other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than election of the directors and approval of the Option Plan.

Cease Trade Orders and Bankruptcies

Except as noted below, as at the date of this Circular no proposed nominee for election as a director of the Company is, or has been, within 10 years before the date of this Circular:

1. a director, chief executive officer or chief financial officer of any company (including the Company and any personal holding company of the proposed director) that, while that person was acting in that capacity:
 - (a) was subject to:
 - (i) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order); or
 - (ii) an order similar to a cease trade order; or
 - (iii) an order that denied the relevant company access to any exemption under securities legislation,
that was in effect for a period of more than 30 consecutive days (an “**Order**”); or
 - (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
or
2. a director or executive officer of any company (including the Company and any personal holding company of the proposed director) 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.

Mr. Turnbull was a director of Action Energy Inc., a corporation engaged in the exploration, development and production of Action Energy Inc. was placed into receivership on October 28, 2009 by its major creditor and Mr. Turnbull resigned as a director immediately thereafter.

Mr. Turnbull was director of Sonde Resources Corp. until March 27, 2014. On February 2, 2015, Sonde Resources Corp. filed a voluntary assignment in bankruptcy.

Mr. Turnbull resigned from his position as a director of Porto, a company that has subsequently become subject to cease trade orders for failure to file periodic disclosure (interim financial filings). Mr. Turnbull resigned as a director of Porto on May 30, 2014, following the decision by Porto's directors and management to wind-down Porto's operations due to capital constraints. Cease trade orders against Porto were subsequently issued by the Alberta, British Columbia, Manitoba and Ontario Securities Commissions and such cease trade orders remain in effect.

Personal Bankruptcies

As at the date of this Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

As at the date of this Circular, no proposed director of the Company (nor any of his personal holding companies) has been subject to:

1. 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
2. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Other Matters

We are not aware of any other matters to come before the meeting other than as set forth in the Notice of Meeting that accompanies this Circular. If any other matter properly comes before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

Additional Information

You may obtain additional financial information about the Company in our audited consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2015, which have been electronically filed with regulators and are available for viewing through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's issuer profile. Additional copies may be obtained without charge upon request to us at Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 or by telephone at (604) 628-5621 or facsimile at (604) 662-7950. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

APPROVAL

The contents and the sending of this Circular have been approved by the Board.

DATED at Vancouver, British Columbia this 30th day of November, 2016.

By Order of the Board of Directors
of **OYSTER OIL AND GAS LTD.**
(“signed”) **Michael Wood**

Michael Wood
Director, President & Chief Executive Officer

APPENDIX A

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF OYSTER OIL AND GAS LTD. (formerly Clemson Resources Corp.) (the “Company”)

1. Purpose

- 1.1. The Audit Committee’s primary function is assisting the Company’s Board of Directors in fulfilling its oversight responsibilities to shareholders. The Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee’s role is to:
 - (a) oversee the work and enhance the independence of the external auditor;
 - (b) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;
 - (c) increase the credibility and objectivity of the Company’s financial reports and public disclosure; and
 - (d) review the Company’s annual financial statements prior to approval thereof by the Board of Directors.
- 1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee’s responsibilities as described herein.
- 1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1. Each member of the Audit Committee must be a director of the Company.
- 2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers, employees or Control Persons (as that term is defined by the policies of the TSX Venture Exchange) of the Company or any of its affiliates, and the majority of whom must be “independent” and “financially literate” as those terms are defined by, and subject to the provisions of, National Instrument 52-110 – Audit Committees as adopted by the Canadian Securities Administrators, as such Instrument is revised or replaced from time to time.
- 2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

- 3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
 - (a) engage and terminate, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
 - (b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and
 - (c) approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

- (a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors for appointment by shareholders;
- (b) recommending to the Board of Directors the terms of engagement for and compensation of the external auditor;
- (c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- (d) overseeing the work of the external auditor;
- (e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and enquiring if there are any sanctions imposed by the CPAB on the external auditor;
- (f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- (g) where there is to be a change in external auditor, reviewing the issues related to the change and the information to be included in the required notice to be filed with securities regulators with respect to such change;
- (h) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- (i) reviewing any disagreements in financial reporting between the external auditor and the Company's management;
- (j) reviewing the external auditor's report, audit results and financial statements prior to approval of same by the Board of Directors;
- (k) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements prior to Board approval and dissemination of annual financial statements to shareholders and the public;
- (l) reviewing the Company's financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information by the Company;
- (m) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company prior to its dissemination to the public;
- (n) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process and obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
- (o) ensuring the integrity of the Company's disclosure controls and internal controls over financial reporting;
- (p) resolving disputes between management and the external auditor regarding financial reporting;
- (q) reviewing the external auditor's internal quality control procedures and any material issues raised with respect thereto by any peer, governmental or professional authority review and the steps taken to deal with those issues; and examining all relationships between the external auditor and the Company, in order to assess and ensure the external auditor's independence;
- (r) reviewing risk management policies and procedures (for example, hedging, litigation and insurance), as well as current areas of financial risk and whether management is managing these effectively;
- (s) establishing procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and
 - (ii) the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters;
 - (t) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;
 - (u) pre-approving all non-audit services to be provided by the Company's external auditor to the Company or any of its subsidiaries and, in this regard, considering whether the external auditor's performance of any such non-audit services is compatible with the external auditor's independence; and
 - (v) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and fees and Audit Committee activities.
- 4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

- 5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.
- 5.2. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.
- 5.3. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.
- 5.5. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.
- 5.6. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.7. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.8. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

- 6.1. The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

Adopted by the Board of Directors of the Company on May 1, 2009.