



## Horizon Petroleum Ltd.

Suite 1500, 700 4<sup>th</sup> Ave. S.W., Calgary, AB, CANADA, T2P 3J4

[www.horizon-petroleum.com](http://www.horizon-petroleum.com)

### INFORMATION CIRCULAR

as at February 7, 2017

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Horizon Petroleum Ltd. (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on March 14, 2017 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to the “Corporation”, “we” and “our” refer to Horizon Petroleum Ltd. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

#### GENERAL PROXY INFORMATION

##### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

##### Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Corporation. If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or Corporation other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.

##### Voting by Proxyholder

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

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein, and
- (iii) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matter that could come before the Meeting.

## Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (i) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, or from outside North America at (416) 263-9524, or by mail or hand delivery at 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9;
- (ii) using a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered Shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (iii) using the internet through the website of Computershare at [www.computershare.com/ca/proxy](http://www.computershare.com/ca/proxy). Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares).

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### *If you are a Beneficial Shareholder:*

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Corporation), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

### **Revocation of Proxies**

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

- (i) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Computershare or at the Corporation's office, Suite 1500, 700 4<sup>th</sup> Ave. S.W., Calgary, AB, T2P 3J4**, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (ii) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

### **RECORD DATE AND QUORUM**

The board of directors (the "**Board**") of the Corporation have fixed the record date for the Meeting at the close of business on February 7, 2017 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such shareholder transfers any shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Under the Corporation's current Articles the quorum for the transaction of business at the Meeting consists of at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder is entitled to vote at the Meeting.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation is authorized to issue an unlimited number of Common Shares. As of February 7, 2017, there were 50,369,654 Common Shares issued and outstanding, each carrying the right to one vote. Common Shares of the Corporation are listed on the TSX Venture Exchange (the "TSXV") under the trading symbol "HPL".

As at February 7, 2017, to the knowledge of the directors and senior officers of the Corporation, and based on the Corporation's review of the records maintained by Computershare, electronic filings with System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no

person owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

### STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this information circular:

“CEO” of the Corporation means an individual who acted as Chief Executive Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” of the Corporation means an individual who acted as Chief Financial Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“Executive Officer” of an entity means an individual who is:

- (a) the chair of the Corporation, if any;
- (b) the vice-chair of the Corporation, if any;
- (c) the president of the Corporation;
- (d) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production;
- (e) an officer of the Corporation (or subsidiary, if any) who performs a policy-making function in respect of the Corporation; or
- (f) any other individual who performs a policy-making function in respect of the Corporation;

“Named Executive Officers or NEOs” means:

- (a) the CEO of the Corporation;
- (b) the CFO of the Corporation;
- (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000;
- (d) any additional individuals for whom disclosure would have been provided under paragraph (i) above except that the individual was not serving as an executive officer of the Corporation, nor in a similar capacity, as at the end of the most recently completed financial year end.

As of August 31, 2016, the Corporation had two “Named Executive Officers”, namely Dr. David Winter, CEO and Darren Moulds, CFO.

#### Director and Named Executive Officer Compensation

The following table (presented in accordance with National Instrument Form 51-102F6V, is a summary compensation (excluding compensation securities) paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, to the directors and NEOs for each of the Corporation’s two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dr. David Winter CEO/Director	2016	120,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	120,000
	2015	99,920	Nil	Nil	n/a <sup>(1)</sup>	Nil	99,920
Darren Moulds, Former CFO <sup>(2)</sup>	2016	36,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	36,000
	2015	30,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	30,000
Yogeshwar Sharma Chairman/Director	2016	25,165	Nil	Nil	n/a <sup>(1)</sup>	Nil	25,165
	2015	30,109	Nil	Nil	n/a <sup>(1)</sup>	Nil	30,109
Charle Gamba Director	2016	18,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	18,000
	2015	24,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	24,000
W. Derek Aylesworth Former Director <sup>(3)</sup>	2016	16,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	16,000
	2015	20,000	Nil	Nil	n/a <sup>(1)</sup>	Nil	20,000

**Notes:**

1. The value of perquisites and benefits, if any, for each Named Executive Officer or Directors was (a) \$15,000, if the NEO or director's total salary for the financial year is \$150,000 or Less, (b) 10% of the NEO or director's salary for the financial year, if the NEO or director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or (c) \$50,000, if the NEO or director's total salary for the financial year is \$500,000 or greater.
2. On September 29, 2016, subsequent to the 2016 fiscal year end, Darren Moulds tendered his resignation as CFO of the Corporation. Following the resignation of Mr. Moulds, Mr. Mark Gelmon consented to act as CFO.
3. On July 21, 2016, W. Derek Aylesworth tendered his resignation as Director of the Corporation.

**External Management Companies.**

None of the NEOs or directors of the Corporation have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Corporation to provide executive management services to the Corporation, directly or indirectly, other than Mark Gelmon, Chief Financial Officer (*for further information, refer to "Employment, Consulting and Management Agreements" below.*)

**Stock Options and Other Compensation Securities**

The table below sets out all compensation securities granted or issued to each NEO and director of the Corporation in the financial year ended August 31, 2016 for services provided or to be provided to the Corporation:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
David Winter CEO/Director	Stock option	1,000,000	Dec. 4, 2015	\$0.10	\$0.04	\$0.025	Dec. 4, 2022
Darren Moulds, Former CFO	Stock option	325,000	Dec. 4, 2015	\$0.10	\$0.04	\$0.025	Dec. 4, 2022
Yogeshwar Sharma Chairman/ Director	Stock option	725,000	Dec. 4, 2015	\$0.10	\$0.04	\$0.025	Dec. 4, 2022
Charle Gamba Director	Stock option	325,000	Dec. 4, 2015	\$0.10	\$0.04	\$0.025	Dec. 4, 2022
W. Derek Aylesworth Former Director	Stock option	325,000	Dec. 4, 2015	\$0.10	\$0.04	\$0.025	Dec. 4, 2022

**Notes:**

1. Subsequent to the fiscal year ended August 31, 2016, Mr. Aylesworth's stock options were cancelled following his resignation.

The following table discloses the total amount of compensation securities held by the NEOs and directors as at the Corporation's financial year ended August 31, 2016.

Name and Position	Number of Options	Vesting Provisions
Dr. David Winter, CEO and Director	1,000,000	1/3 of Optioned Shares on December 4, 2016, 2017 and 2018.
Darren Moulds, Former CFO	325,000	1/3 of Optioned Shares on December 4, 2016, 2017 and 2018.
Yogeshwar Sharma, Chairman/Director	725,000	1/3 of Optioned Shares on December 4, 2016, 2017 and 2018.
Charle Gamba, Director	325,000	1/3 of Optioned Shares on December 4, 2016, 2017 and 2018.
W. Derek Aylesworth, Former Director	325,000	1/3 of Optioned Shares on December 4, 2016, 2017 and 2018.

**Notes:**

1. Subsequent to the fiscal year ended August 31, 2016, Mr. Aylesworth's stock options were cancelled following his resignation.

Except as noted above, no compensation securities were re-priced, cancelled and replaced, had their term extended, or otherwise materially modified in the Corporation's financial year ended August 31, 2016.

Other than any vesting restrictions noted above, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.

## Exercise of Compensation Securities by NEO's

No compensation securities were exercised by the NEO's or directors for the year ended August 31, 2016.

## Stock Option Plans and Other Incentive Plans

The Corporation's current Stock Option Plan (the "Stock Option Plan") has been established in accordance with the policies of the TSXV. The number of Common Shares reserved for issuance pursuant to the exercise of stock options under the Stock Option Plan is equal to 10% of the number of issued and outstanding Common Shares of the Corporation at any given time on a "rolling" basis (the "Stock Option Plan").

The Stock Option Plan was established to provide incentive to employees, directors, officers, management companies and consultants who provide services to the Corporation. The intention of management in proposing the Stock Option plans was and is to increase the proprietary interest of such persons in the Corporation and thereby aid the Corporation in attracting, retaining and encouraging the continued involvement of such persons with the Corporation. The plan is administered by the Corporation's board who has the authority to grant options to directors, officers, employees and consultants. At the time an option is granted, the board will determine the terms of the option, including the exercise price and any vesting provisions, providing the same are in accordance with the TSXV policies.

Pursuant to the policies of the TSXV, a "rolling" stock option plan must be approved and ratified annually by the Shareholders. The Stock Option Plan was approved at the Corporation's last Annual General Meeting held on July 21, 2016 (see *Particulars of Matters to be acted Upon – Ratification of 10% Rolling Stock Option Plan* below).

The following information is intended as a brief description of the Stock Option Plan:

1. The aggregate maximum number of options which may be granted under the Stock Option Plan at any one time is 10% of the number of common shares the Corporation has outstanding at the time of grant.
2. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. Subject to a minimum exercise price of \$0.10 per Common Share, the exercise price per Common Share for an Option shall not be less than the Market Price for the Corporation's common shares (as defined by the policies of the Exchange) at the date of grant.
4. The board of directors may, from time to time in its sole discretion, attach restrictions relating to the exercise of an option, including vesting provisions save and except any options granted to consultants performing investor relations activities must include a vesting schedule whereby the options must vest in stages over at least twelve months with not more than one-quarter vesting in any three month period.
5. All options are non-assignable and non-transferrable.
6. No more than (i) 5% of the issued common shares may be granted to any one individual in any 12 month period; and (ii) no more that 2% of the issued common shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.
7. Unless an option agreement specifies otherwise, if an option holder ceases to be a director, officer, employee or consultant, for any reason other than death, each Option held by the option holder other than an option holder who is involved in investor relations activities will cease to be exercisable 90 days after such date services cease or for a "reasonable period" after the option holder ceases to serve in such capacity, as determined by the Board but in any event, no more than one year after the date services cease. For option holders involved in investor relations activities, Options shall cease to be exercisable 30 days after such date services cease.
8. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Corporation's issued common shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Corporation's issued common shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's common shares.

A copy of the Stock Option Plan is available on request and will be available for review at the Meeting.

### **Employment, consulting and management agreements**

Except as described below, the Corporation does not have any contracts, agreements, plans or arrangements that provides for payments to a director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities:

The Corporation has an arrangement with iO Corporate Services Ltd. ("iO Corporate") whereby iO Corporate performs management and administrative services at a rate of \$6,500 per month. The services provided by iO Corporate include those services performed by Mark Gelmon, Chief Financial Officer of the Corporation, and Marion McGrath, Corporate Secretary of the Corporation. Mark Gelmon and Marion McGrath are both employees of iO Corporate and iO Corporate is owned and controlled by Marion McGrath.

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

The Board of Directors considers and determines all compensation matters for the NEO's and directors. The objective of the Corporation's compensation arrangements is to compensate the executive officers for their services to the Corporation at a level that is both in line with the Corporation's fiscal resources and competitive with companies at a similar stage of development.

The Corporation compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Corporation, the Corporation's resources, industry practice and regulatory guidelines regarding executive compensation levels.

At this time, the Corporation does not have a formal compensation program with specific performance goals or similar conditions.

Executive compensation is based upon the need to provide a compensation package that will allow the Corporation to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The stock option plan will continue to be used to provide share-purchase options to executives. The share-purchase options are granted in consideration of the level of responsibility of the executive as well as his or her impact to the longer-term operating performance of the Corporation. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of the Corporation's shareholders.

### **Pension Disclosure**

The Corporation does not have any pension or retirement plan which is applicable to the NEOs or directors. The Corporation has not provided compensation, monetary or otherwise, to any person who now or previously has acted as a NEO of the Corporation, in connection with or related to the retirement, termination or resignation of such person, and the Corporation has provided no compensation to any such person as a result of a change of control of the Corporation.

### **Securities Authorized For Issuance under Equity Compensation Plans**

The following table sets out equity compensation plan information as at the end of the financial year ended August 31, 2016:

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Option Plan)	4,272,000	\$0.11	764,965
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,272,000	\$0.11	764,965

### INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of the Corporation, no proposed nominee for election as a director of the Corporation, and no associate of any of the foregoing persons has been indebted to the Corporation at any time since the commencement of the Corporation's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Corporation at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular, to the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the most recently completed financial year end, or has any interest in any material transaction in the current year.

The directors and officers of the Corporation have an interest in the resolutions concerning the election of directors and stock options. Otherwise no director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

### STATEMENT OF CORPORATE GOVERNANCE

#### Corporate Governance

Corporate governance relates to the activities of the Board of Directors (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.



### Board of Directors

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

The Corporation’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Corporation’s Board requires management to provide complete and accurate information with respect to the Corporation’s activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Corporation’s Board is responsible for monitoring the Corporation’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Currently, the Corporation’s board has two independent members, being Yogeshwar Sharma and Charle Gamba. The non-independent member is Dr. David Winter.

### Directorships

The following table sets forth the directors of the Corporation who currently hold directorships in other reporting issuers:

<b>Name of Director</b>	<b>Other Issuer</b>
Charle Gamba	Canacol Energy Ltd. Ikkuma Resources Corp.
Dr. David A. Winter	Canacol Energy Ltd.

### Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as director of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies and is on the mailing list of the TSX Venture Exchange (the “TSXV”) to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

### Ethical Business Conduct

The Corporation’s Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the board in which the director has an interest have been sufficient to ensure that the board operates independently of management and in the best interests of the Corporation. Further, the Corporation’s auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation’s financial statements and any related findings as to the integrity of the financial reporting process.

### Nomination of Directors

The Corporation's Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Corporation's Board does not have a nominating committee, and these functions are currently performed by the Corporation's Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

### Compensation

To determine compensation payable, the independent Directors review compensation paid for directors, officers and senior management of companies of similar size and stage of development in the oil and gas exploration industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Corporation. In setting the compensation the independent Directors annually review the performance of the officers, and senior management in light of the Corporation's objectives and consider other factors that may have impacted the success of the Corporation in achieving its objectives.

### Other Board Committees

The Board has no other committees other than the Audit Committee.

### Assessments

The Corporation's Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

### **Audit Committee Disclosure**

Pursuant to section 171(1) of the *Business Corporations Act* (Alberta), the policies of the TSXV and National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Corporation is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The Audit Committee Charter is attached to this Information Circular as Schedule "A".

### Composition of the Audit Committee

The following are the members of the Committee:

Dr. David Winter	Not-Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Yogeshwar Sharma	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Charle Gamba	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

<sup>(1)</sup> As defined in NI 52-110.

### Relevant Education and Experience

**Dr. David Winter** has over 30 years of international oil and gas industry experience in Latin America, the Middle East, North Africa, South East Asia and North America. He is also a Co-Founder and Director of Canacol Energy Ltd., a publicly traded oil and gas company listed on both the Toronto and Colombia stock exchanges. David is also a founder and director of privately-held Miramar Hydrocarbons, which operates in Argentina. Prior to founding Miramar, David was Founder, CEO & President of Excelsior Energy Limited, a Canadian publicly traded company focused on exploration and appraisal activities in Canada's oilsands which was sold to Athabasca Oil Company in October 2010. David acquired his extensive international oil and gas experience from senior management roles at Calvalley Petroleum, where he was Senior Vice President, Exploration and Production, and at Alberta Energy Company, where he was Vice President, International Exploration. He has also held senior management and technical positions with Canadian Occidental, Sun Oil and BP. David holds a BSc (Hons), MSc and PhD in Geology..

**Yogeshwar Sharma** has over 40 years of broad international oil and gas industry experience. He is the co-founder of LSE-listed Hardy Oil and Gas plc, and served as its CEO until May 2012. Prior to founding Hardy, Yogeshwar worked at Elf International as the Manager of Reservoir Engineering and also served as an External Examiner at the Heriot Watt University in Edinburgh. He is a Registered Professional Engineer in Alberta and a member of the Society of Applied and Industrial Mathematics. Mr. Sharma graduated from the University of Alberta with a BSc in Mechanical Engineering.

**Charle Gamba** has been the Chief Executive Officer and President of Canacol Energy Ltd., since October 2008. He is a senior executive with almost 20 years working experience in the US and international upstream oil and gas industry. Charle served as a Vice President of Exploration at Occidental Oil & Gas Company from 2001 to 2008. In his seven years

with Occidental, he worked in Ecuador, Qatar, Colombia, and the United States in a variety of technical management roles. Charle started his professional career as a geologist with Imperial Oil in Calgary in 1994.

#### Audit Committee Oversight

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

#### Reliance on Certain Exemptions

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

#### External Auditor Service Fees (By Category)

Aggregate fees paid to the Auditor during the financial years ended August 31, 2016 and 2015 were as follows:

Financial Year Ended	Audit Fees	Audit Related Fees <sup>1</sup>	Tax Fees <sup>2</sup>	All Other Fees <sup>3</sup>
2016	\$16,400	\$Nil	\$2,500	\$Nil
2015	\$20,400	\$Nil	\$2,500	\$Nil

**Notes:**

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged (or estimated charges) for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **A. Financial Statements**

The shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended August 31, 2016 together with the auditor's report thereon. A copy of the financial statements is available for review on [www.sedar.com](http://www.sedar.com).

### **B. Election of Directors**

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta), each director elected will hold office until the conclusion of the next annual general meeting of the Corporation.

Management is proposing to fix the number for which positions exist on the Corporation's board at four (4).

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

Name of Nominee, Current Position with Corporation, Province and Country of Residence	Principal Occupation	Period From Which Nominee Has Been Director	Number of Approximate Voting Securities <sup>(1)</sup>
<b>Dr. David Winter</b> <sup>(2)</sup> Chief Executive Officer and Director Alberta, Canada	President CEO of Horizon Petroleum Ltd.	November 4, 2014	430,000
<b>Charle Gamba</b> <sup>(2)</sup> Director Texas, USA	President CEO of Canacol Energy Ltd.	April 11, 2014	1,010,000
<b>Yogeshwar Sharma</b> <sup>(2)</sup> Director Aix-en-Provence, France	Petroleum Engineer	April 30, 2013	2,088,333
<b>Harry Wilson</b> Nominee Harpenden, Hertfordshire, UK	Businessman and Founder/Chairman of several public companies in the oil and gas sector	Nominee	0

**Notes:**

1. Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.
2. Member of Audit Committee.

The Corporation does not have an Executive Committee. The Board has established an Audit Committee, details of which are provided under the heading “Statement of Corporate Governance”.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

Except as noted below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

- (a) is or has been a director or executive officer of any Corporation (including the Corporation), that while that person was acting in that capacity:
  - i. was the subject of a cease-trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - ii. was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within 10 years before the date of the Information Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

**C. Appointment of Auditor**

Management recommends the re-appointment of KPMG LLP, Chartered Accountants, the present auditor, as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders.

**Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of KPMG LLP, Chartered Accountants, as auditor of the Corporation and authorizing the Board to fix the auditor’s remuneration, unless a shareholder has specified in his proxy that his shares are to be withheld from voting on the appointment of auditor.**

**D. Ratification of 10% Rolling Stock Option Plan**

Management is seeking re-ratification by the shareholders of the Corporation’s existing stock option plan (the “**Stock Option Plan**”) in accordance with the policies of the TSXV. At the Meeting, shareholders will be asked to consider and, if thought fit, pass the following ordinary resolutions:

“BE IT RESOLVED THAT:

- (i) the Corporation’s Stock Option Plan be ratified, confirmed and approved, including reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding Common Shares of the Corporation;
- (ii) the Corporation is authorized to grant stock options pursuant to and subject to the terms and conditions of the Stock Option Plan to qualified directors, officers, employees and consultants or management company employees of the Corporation, or any affiliate of the Corporation; and
- (iii) any one director or officer of the Corporation, for and on behalf of the Corporation, be and is hereby authorized to execute and deliver all documents and instruments and take all such other actions as may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.”

For further information concerning the Corporation’s stock option plan, refer *Statement of Executive Compensation – Stock Option Plans and Other Incentive Plans* above.

**Shares represented by proxies in favour of the management nominees will be voted in favour of ratifying the Stock Option Plan.**

#### **E. Share Consolidation**

Shareholder approval is being requested to an Special Resolution which would approve a consolidation of the Corporation’s shares to give the Corporation greater flexibility in future financings. Management is requesting approval to the consolidation of all of its Common Shares without par value such that every six (6) Common Shares before consolidation would be consolidated into one (1) Common Share without par value, or such other lessor consolidation ration that the directors of the Corporation deem necessary in order to meet its public distribution requirements post-consolidation (the “Consolidation”).

The Corporation currently has 50,369,654 common shares issued and outstanding. Following the Consolidation and the issuance of approximately 165,000,000 common shares by way of the proposed Private Placement as announced in the Corporation’s news release dated January 17, 2017, there will be approximately 35,894,942 common shares issued and outstanding. No fractional post-Consolidation shares will be issued and no cash will be paid in lieu of fractional post-consolidation common shares. In the case of fractional shares resulting from the Consolidation, fractions of a share will be rounded down to the next whole share.

Upon the Consolidation becoming effective, letters of transmittal will be sent by mail to all holders of common shares then issued and outstanding for use in transmitting their share certificates to the Corporation’s registrar and transfer agent, Computershare Trust Company, in exchange for new certificates representing the number of common shares to which such shareholder is entitled as a result of the consolidation. Upon return of a properly completed letter of transmittal, together with certificates evidencing the common shares of the Corporation, certificates for the appropriate number of new consolidated common shares will be issued at no charge. No certificates for fraction consolidated common shares will be issued.

Upon the Consolidation becoming effective, the number of shares reserved for issuance by the Corporation, including those shares reserved for the Option Plan and warrants will be adjusted to give effect to the Consolidation, such that the number of consolidated common shares issuable will equal the number obtained when the number of common shares issuable is divided by the conversion number and the exercise prices of outstanding stock options and warrants to purchase Consolidation common shares will equal the price obtained by multiplying the existing exercise price by the conversion number.

Under the *Business Corporations Act* (Alberta), a share consolidation requires approval of the shareholders by way of special resolution which must be passed by a majority of not less than two-thirds (2/3) of the votes represented the Meeting, in person or by proxy. Accordingly, the shareholders of the Company will be asked to approve a Special Resolution approving the share consolidation, the text of which will be in substantially the form as follows, subject to changes in form as may be required by the Registrar of Corporations (Alberta) or the TSX Venture Exchange:

“RESOLVED, by Special Resolution, that:

- (i) the unlimited common shares without par value in the capital of the Corporation be consolidated such that every six (6) pre-consolidated common shares without par value of the Corporation be consolidated into one (1) common share without par value of the Corporation or such other lessor consolidation ration that the directors of the Corporation deem necessary in order to meet its public distribution requirements post-consolidation, subject to the consent and approval of the TSX Venture Exchange;
- (ii) the Articles of the Corporation be amended accordingly to give effect to the foregoing resolution;
- (iii) the directors of the Corporation may, in their sole and absolute discretion, elect not to implement the share consolidation without further approval or authorization from the members of the Corporation; and
- (iv) any director or officer of the Corporation be authorized or directed for and on behalf and in the name of the Corporation to execute, deliver and, where necessary, any documentation required for the purpose of giving effect to these resolutions.”

#### **F. Creation of a Control Position Held by PMI Resources Ltd.**

##### ***Background***

On December 21, 2016, the Corporation entered into an agreement with PMI Resources Ltd. (“PMI”), (the “**LOI**”), in pursuant to which PMI will assign to the Corporation its two Luxembourg subsidiaries which hold a 100% working interest in two hydrocarbons licenses in southwest France known as Ledeuix and Ger and consists of approximately 171,520 acres (the “Assignment”).

The Ledeuix and Ger licenses are located in the Aquitaine Basin of south-west France. The basin contains the largest natural gas fields in France, Lacq and Meillon, which combined have produced 11 TCF of gas to date. Hydrocarbons were sourced from the Lower Jurassic aged shales and marls, and have migrated into Jurassic and Cretaceous aged fractured carbonate reservoirs contained in folded thrust sheets of the Pyrenean fold belt.

Both PMI licenses have progressed through their first exploration period, and the acreage numbers reflect their post-relinquishment status.

Eleven wells have been drilled in the Ledeuix permit, with two of those wells testing hydrocarbons. Saucedo-1 drilled in 1978 by Esso was a gas discovery flowing an average 9 MMscf/d over 19 days. It was placed on production 1981 - 1985 and again in 1988 to 1993. The well produced a cumulative 1.85 BCF of gas from Lower Cretaceous and Jurassic-aged naturally fractured carbonate reservoirs between 4,200 and 5,410 meters below sea level. Reservoir engineering analysis has indicated significant wellbore damage, caused by overweight drilling fluids and poor completion practices which could have resulted in poor well performance.

GLJ Petroleum Consultants assessed the resource potential of the Saucedo gas discovery in the Ledeuix permit as of June 30, 2014 for PMI. The report was completed in accordance with NI 51-101 at the time. As the assessment was prior to NI 51-101 amendments (July 1, 2015) and section 2 Resources Other Than Reserves (ROTR) of COGE Handbook Vol.2, the information regarding GLJ's assessment will be updated and Horizon will disclose in a subsequent news release, details of the updated assessment once available.

A number of leads have been identified in different thrust sheets that have similar characteristics to the Saucedo gas discovery at shallower depths that provide significant upside potential.

The Ledeuix permit presents an opportunity to appraise and potentially develop an in-place gas resource in a basin with ample existing gas infrastructure, providing gas into an attractive gas market. Management and Directors of Horizon have expertise and experience in appraising, developing and monetizing naturally fractured reservoirs around the world with a number of oil and gas companies. Horizon's strategy will be to leverage that experience to develop and monetize similar gas resources in Europe. Several European countries contain significant undeveloped gas resources that could provide gas into attractive gas markets. The scale of the resources is such that they are immaterial to the large independents and major oil and gas companies but highly material to junior independents that have the technical and operating expertise and experience. The PMI transaction represents the first step in executing this strategy and Management has identified a number of potential follow-on opportunities with significant undeveloped gas resources in attractive gas markets.

The Ger license has significant exploration potential but with higher geological risk. The license carries an outstanding commitment to abandon the Ossun 2D well drilled by PMI. PMI's original estimated cost of abandonment is approximately \$2.512 million (the "Abandonment Liability"). Management believes that the costs could be lower and will provide an update once a new estimate is obtained.

As partial compensation for the Abandonment Liability of the Ossun 2D well on the Ger Permit, PMI will invest CAD\$1.5 million, by way of private placement at a price of \$0.02 per share in the Corporation and, upon closing of the private placement, PMI will hold 75,000,000 common shares or 34.82% of the Corporation (the "Investment").

As PMI will hold 34.82% following the closing of its Investment, in accordance with the policies of the TSX Venture Exchange, disinterested shareholder approval is required to the creation of a new control position (the "**Control Position**"). A "control person" is defined in Section 1(1) of the *Securities Act* (Alberta) as someone who owns at least 20% of the issued and outstanding shares of the Corporation. The Corporation is seeking shareholder approval at the Meeting for the creation of a Control Position to be held by PMI as a result of its Investment.

PMI is an international oil and gas company based in Vancouver, BC, listed and trading on the TSX Venture Exchange under trading symbol TSXV: PMI.

Should shareholder approval for the Control Position to be held by PMI not be obtained, the Corporation will likely not be able to close the transaction contemplated by the LOI.

In the absence of contrary directions, the management designees set forth in the proxy intend to vote proxies in the accompanying form in favour of the Resolution approving the creation of the Control Position.

Concurrent with the Investment by PMI, PMI will have the right to appoint one member to the Corporation's board of directors.

***Participation in Private Placement by Insiders of Corporation***

				Post-Closing of Private Placement		
	Current				Common Shares to be Held by Participating Insiders as Percentage of Issued and Outstanding	
Name	Common Shares Beneficially Owned or Controlled by Participating Insiders	Common Shares Held by Participating Insiders as Percentage of Issued and Outstanding	Common Shares to be Purchased by Participating Insiders in Private Placement	Common Shares to be Beneficially Owned or Controlled by Participating Directors	Assuming Completing of Full Private Placement (\$3.3 million)	Assuming No Further Common Share Issuances other than to Participating Directors
Dr. David Winter	30,000	0.05%	6,000,000	6,030,000	2.80%	9.44%
Yogeshwar Sharma	88,333	0.17%	3,100,000	3,188,333	1.48%	4.50%
Charle Gamba	1,010,000	2.01%	400,000	1,410,000	0.65%	2.20%
David Robinson	299,000	0.59%	4,000,000	4,299,000	1.20%	6.73%
Total	1,427,333	2.83%	13,500,000	14,927,333	6.13%	22.87%

### ***Multilateral Instrument 61-101***

The participation in the Private Placement by Insiders would also each constitute a “related party transaction” as such term is defined pursuant to Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”), requiring the Corporation, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, each “related party transaction”.

Horizon considers such Insider Participation exempt from the need to obtain minority shareholder approval and a formal valuation, as required by MI 61-101, and intends to rely on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of such Insider Participation.

### ***Shareholder Approval of the Control Position***

To comply with shareholder approval requirements of the TSXV for the creation of a Control Position, a majority of the votes cast by disinterested shareholders of the Corporation attending the meeting or voting by proxy will be required to approve the Control Position by way of ordinary resolution. The disinterested shareholders of the Corporation will be asked at the Meeting to consider, and if deemed advisable, approve with or without variation the following ordinary resolution:

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

1. the proposed private placement financing and the creation of the Control Position (as defined in Policy 1.1 of the TSX Venture Exchange) held by PMI Resources Ltd. as a result of the issuance of 75,000,000 common shares of the Corporation at a price of \$0.02 per common share for a gross proceeds of \$1.5 million (the “Private Placement”) be and is hereby approved;
2. the actions of the directors of the Corporation in approving the Private Placement and the creation of the new “Control Person” and the actions of the directors and officers of the Corporation in executing and delivering all agreements (including the subscription agreements) and documents ancillary thereto, and any amendments thereto, are hereby ratified and approved;
3. any one or more directors or officers of the Corporation be and are hereby authorized to execute and deliver such documents, and to do such acts, as may be necessary or advisable to complete the Private Placement and to give effect to these resolutions.”

As of the date of this Information Circular and based upon information available to the Corporation, nil shares are not eligible to vote for the approval of the creation of the Control Position.

**Shares represented by proxies in favour of the management nominees will be voted in favour of approving the Private Placement and the creation of the Control Position for PMI Resources Ltd.**

### **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents filed with the securities commissions or similar regulatory authorities in British Columbia and Alberta are specifically incorporated by reference into, and form an integral part of, this information circular:

- Audited Annual Financial Statements for the year ended August 31, 2016; and
- Management’s Discussion and Analysis for the year ended August 31, 2016.

Copies of the documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Corporation at Suite 1500, 700 4<sup>th</sup> Ave. S.W., Calgary, AB, T2P 3J4. These documents are also available through the internet on SEDAR, which can be accessed at [www.sedar.com](http://www.sedar.com).



**OTHER MATTERS**

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

The contents of this Information Circular and its distribution to shareholders have been approved by the Board of the Corporation.

**DATED** at Calgary, Alberta, February 7, 2017.

**BY ORDER OF THE BOARD**

*/s/ "Dr. David Winter"*

**Dr. David Winter, Chief Executive Officer**