

STEALTH VENTURES LTD.

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON SEPTEMBER 22, 2011

NOTICE OF MEETING AND MANAGEMENT PROXY AND INFORMATION CIRCULAR

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF STEALTH VENTURES LTD. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF STEALTH VENTURES LTD. TO BE HELD ON THURSDAY SEPTEMBER, 22, 2011.

TO BE HELD AT:

**The Calgary Petroleum Club
The Viking Room
319 - 5th Avenue S.W.
Calgary, Alberta T2P 0L6**

At 3:30 p.m. (M.S.T.)

Dated: August 25, 2011

STEALTH VENTURES LTD.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON THURSDAY SEPTEMBER 22, 2011**

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the “**Meeting**”) of holders of common shares of Stealth Ventures Ltd. (the “**Corporation**”) will be held at The Calgary Petroleum Club, the Viking Room, 319 - 5th Avenue S.W., Calgary, Alberta, at 3:30 p.m. (M.S.T.), on September, 22, 2011, for the following purposes:

1. to fix the number of directors of the Corporation to be elected at the Meeting at five (5);
2. to elect the Board of Directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor’s remuneration;
4. to consider and, if thought fit, to approve, adopt and ratify, with or without modification, an ordinary resolution as more particularly set forth in the accompanying management information circular (the “**Information Circular**”) prepared for the purpose of the Meeting relating to the approval and ratification of a new stock option plan of the Corporation;
5. to consider and, if thought fit, to approve, adopt and ratify, with or without modification, a special resolution, as more particularly set forth in the Information Circular, approving an amendment to the Articles of the Corporation to consolidate the common shares in the capital of the Corporation (“**Common Shares**”) at a ratio ranging from ten-to-one (10:1) and fifteen-to-one (15:1) (the “**Consolidation**”);
6. to consider and, if thought fit, to approve, adopt and ratify, with or without modification, a special resolution, as more particularly set forth in the Information Circular, approving an amendment to the Articles of the Corporation to change the name of the Corporation to “Tight Resource Solutions Inc.” or such other name as determined by the board of directors of the Corporation (the “**Name Change**”);
7. to consider and, if thought fit, approve, with or without variation, a special resolution, as more particularly set forth in the Information Circular, relating to the continuance (the “**Continuance**”) of the Corporation from the Province of British Columbia into the Province of Alberta and to adopt new charter documents of the Corporation upon the Continuance and to repeal the existing articles and by-laws of the Corporation, all as more particularly described in the Information Circular; and
8. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

DATED this 25th day of August, 2011.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Subra Subramaniam*”

Subra Subramaniam

Chairman and Chief Executive Officer

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Computershare Investor Services Inc. at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 Attention: Proxy Tabulation Department, at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

STEALTH VENTURES LTD.

MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (“INFORMATION CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF STEALTH VENTURES LTD. (THE “CORPORATION”) of proxies from the holders of common shares (the “Common Shares”) for the annual general and special meeting of the shareholders of the Corporation (the “Meeting”) to be held on Thursday September, 22, 2011 at 3:30 p.m. (M.S.T.) at The Calgary Petroleum Club, the Viking Room, 319 - 5th Avenue S.W., Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“Notice of Meeting”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to Beneficial Shareholders (as defined below) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (who need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his or her shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation’s transfer agent, Computershare Investor Services Inc. at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 Attention: Proxy Tabulation Department, at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his or her authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Computershare Investor Services Inc. at its Toronto office, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 Attention: Proxy Tabulation Department, at any time up to and including the last business day preceding the date of the Meeting, or

any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his or her Common Shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING OF PROXIES

Each shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

QUORUM

The by-laws of the Corporation provide that at least two (2) persons holding or representing by proxy not less than five (5%) percent of the outstanding Common Shares entitled to vote at the Meeting shall constitute a quorum for meetings of shareholders.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As at the effective date of this Information Circular (the “**Effective Date**”), which is August 25, 2011, the Corporation has 161,002,686 Common Shares issued and outstanding. There are no other shares of any class issued and outstanding. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on August 18, 2011 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his or her Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands not later than 10 days before the day of the Meeting that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Meeting.

To the knowledge of the directors and the senior officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

EXECUTIVE COMPENSATION

General Provisions

For the purposes 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;

“equity incentive plan” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Canadian Institute of Chartered Accountants Handbook;

“executive officer” of the Corporation means an individual who is the Chairman or Vice-Chairman of the Board, the President, a Vice-President in charge of a principal business unit, division or function including sales, finance or production, an officer of the Corporation or any of its subsidiaries who performed a policy-making function in respect of the Corporation, or any other individual who performed a policy-making function in respect of the Corporation;

“incentive plan” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“incentive plan award” means compensation awarded, earned, paid or payable under an incentive plan;

“NEO” or “Named Executive Officer” means each of the following individuals:

- (a) CEO;
- (b) CFO;
- (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 for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

“plan” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

“replacement grant” means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

“repricing” means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis (“CDA”) reviews the objectives, policies and principles of the Corporation’s executive compensation program.

Compensation Program Objectives

The Corporation’s compensation practices are designed to attract, motivate and retain highly qualified employees and executives to manage the business of the Corporation by rewarding individual and corporate performance and aligning the interests of the NEOs with the Corporation’s shareholders. Compensation is designed to achieve both current and long term goals of the Corporation and to maximize returns to shareholders. Accordingly, a significant portion of executive compensation is tied to achieving the Corporation’s goals. Compensation decisions are intended to be transparent, and the Corporation’s practices are intended to be simple in design and competitive within the oil and gas industry.

In establishing the framework for the Corporation’s compensation practices, the objective is to appropriately balance risk and reward. To do so, the Corporation takes into account the inherent uncertainties of its business and the fact that the success of the Corporation is influenced by a number of risk factors, many of which are outside of the Corporation’s control.

The Compensation Committee’s role and philosophy is to ensure that the Corporation’s goals and objectives, as applied to the actual compensation paid to the Corporation’s President and Chief Executive Officer and to its other executive officers, are aligned with the Corporation’s overall business objectives and with shareholders’ interests. During the financial year ended December 31, 2009, the Corporation’s Compensation Committee was comprised of three directors, Derek Krivak, Rudy Cech and Mark Roth. Each of Mr. Cech and Mr. Roth was independent of management of the Corporation. During the financial year ended December 31, 2010, every director of the Corporation was a member of its Compensation Committee.

In addition to informal industry comparables from publicly available information, the Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation, and the Compensation Committee’s assessment of each executive’s individual performance and contribution toward meeting corporate objectives. Because the Corporation’s share price is reflected in compensation in terms of stock options, the Compensation Committee does take into consideration the historical and future drilling results in establishing the issuance of stock options. Given the risks inherent in drilling programs in any given year, the Compensation Committee has not established a targeted amount of resource additions as a corporate goal.

Role of Executive Officers in Determining Compensation

The Compensation Committee reviews and sets compensation policies and programs for the Corporation, as well

as salary and benefit levels for executives and consultants. The President and Chief Executive Officer, the Chief Financial Officer, the Vice President of Exploration and the Vice-President of Operations may not be present during meetings of the Compensation Committee at which their compensation is being discussed. The Compensation Committee makes the final determination regarding the Corporation's compensation programs and practice.

Elements of the Compensation Program for Fiscal Year 2010

The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation. A description of each element and its purpose is described below. The total compensation plan for executive officers and consultants is comprised of four components: base salary or consulting fees, incentive stock options and benefits. There is no policy or target regarding cash and non-cash elements of the Corporation's compensation program. The Compensation Committee annually reviews the total compensation of each of the Corporation's executives and consultants on an individual basis, against the backdrop of the compensation goals and objectives described.

Base Salary

The purpose of the base salary is to attract and retain executives by providing a competitive base compensation. The level of base salary for each Named Executive Officer is determined by the level of responsibility and the importance of the position to the Corporation, within competitive industry ranges. The Compensation Committee makes recommendations to the Board of Directors regarding base salaries of the Named Executive Officers. As a general rule for establishing base salaries or consulting fees, the Compensation Committee reviews competitive market data on a list of peer group companies for each of the executive positions and determines placement at an appropriate level within a range. Compensation levels are negotiated with the candidate for the position prior to his or her selection as an executive officer or consultant. Salaries or consulting fees for the executive officers are reviewed annually to reflect competitive salaries or consulting fees, external factors such as inflation as well as the overall corporate performance and the results of internal performance reviews.

Consulting Fees

As a general rule for establishing consulting fees, the Compensation Committee reviews competitive market data for each of the consulting positions and determines placement at an appropriate level within a range. Consulting fees are reviewed annually to reflect external factors such as inflation as well as overall corporate performance and the results of internal performance reviews.

Stock Options

The Corporation currently has in place a fixed stock option plan, such that the aggregate number of Common Shares that are to be reserved for issuance under the plan shall not exceed 18,000,000 Common Shares (the "**Plan**"), under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The purpose of granting such stock options is to assist the Corporation in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Corporation's shareholders. The allocation of options under the Plan is determined by the Compensation Committee which, in determining such allocations, considers such factors as overall Corporation performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question, the level of relative cash compensation and, in the case of grants to non-executive directors, the amount of time directed to the Corporation's affairs and time spent on the Corporation's audit, reserve and compensation committees.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended Dec 31	Salary (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾⁽³⁾	Non-Equity Incentive Plan Compensation (\$)				Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)	All Other Compensation (\$)	
	2008	175,000	Nil	277,265	Nil	Nil	Nil	Nil	452,265
Chris Morrison ⁽⁸⁾ Former Vice-President, Operations	2010	155,000	Nil	Nil	Nil	Nil	Nil	2,266	157,266
	2009	155,000	Nil	Nil	Nil	Nil	Nil	Nil	155,000
	2008	155,000	Nil	178,800	Nil	Nil	Nil	Nil	333,800
W. Robert Bell ⁽⁹⁾ Former Chief Executive Officer	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2008	Nil	Nil	250,000	Nil	Nil	Nil	113,817	363,817
Mark Roth ⁽¹⁰⁾ Former Chief Financial Officer	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2009	80,624	Nil	Nil	Nil	Nil	Nil	175,000	255,624
	2008	175,000	Nil	181,322	Nil	Nil	Nil	Nil	356,322
Lori Bobye-Magnusson ⁽¹¹⁾ Former Chief Financial Officer	2010	100,595	Nil	Nil	Nil	Nil	Nil	4,803	105,398
	2009	130,000	Nil	Nil	Nil	Nil	Nil	Nil	130,000
	2008	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		N/A							

Notes:

- (1) “**Share-Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) “**Option-Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
- (3) The “grant date fair value” has been determined by using the Black-Scholes option pricing model. Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.
- (4) Mr. Subramaniam did not receive any additional compensation for serving as a director of the Corporation.
- (5) Mr. Subramaniam was appointed the Chairman and Chief Executive Officer of the Corporation on February 4, 2011.
- (6) Mr. Harman was appointed the Chief Financial Officer of the Corporation on November 1, 2010.
- (7) Mr. Krivak resigned as Chief Executive Officer on January 15, 2011 and as a director of the Corporation on February 4, 2011.
- (8) Mr. Morrison resigned as Vice President, Operations on February 28, 2011.
- (9) Mr. Bell resigned as Chief Executive Officer on June 18, 2008.
- (10) Mr. Roth resigned as Chief Financial Officer on July 13, 2009.
- (11) Mr. Bobye-Magnusson resigned as Chief Financial Officer on October 8, 2010.
- (12) Mr. Subramaniam was granted 2,250,000 shares as payment for his services as Chairman and Managing Director of the Corporation during the financial year ended December 31, 2010. At the date of this Information Circular these shares have been accrued but not issued.

Narrative Discussion

Under the terms of his employment agreement, Mr. Krivak received a base salary of \$175,000 for serving as the President and Chief Executive Officer of the Corporation. Mr. Krivak resigned from this position on January 15, 2011 and resigned as a director on February 4, 2011.

Under the terms of his employment agreement, Mr. Morrison received a base salary of \$155,000 for serving as the Vice-President Operations of the Corporation. Mr. Morrison resigned as Vice President, Operations on February 28, 2011.

Neither Mr. Subramaniam nor Mr. Harman have entered into employment agreements with the Corporation. Their salaries and performance incentives, bonuses and stock options are all set at the discretion of the board of directors of the Corporation.

During the financial year ended December 31, 2010, the Corporation granted no stock options to its Named Executive Officers.

Incentive Plan Awards

The Corporation has in place a Plan for the purpose of attracting and motivating Directors, Officers, Employees and Consultants of the Corporation and advancing the interests of the Corporation by affording such persons the opportunity to acquire an equity interest in the Corporation through rights granted under the Plan to purchase shares of the Corporation. The Corporation's Plan was previously approved by the shareholders of the Corporation on July 4, 2008. As discussed in this Information Circular under "*Executive Compensation - Compensation Discussion and Analysis - Stock Options*", the Corporation is seeking shareholder approval of the New Plan in substantially the form attached as Schedule "A" to this Information Circular. The significant terms of the New Plan are disclosed in this Information Circular under "*Particulars Of Matters To Be Acted Upon - Approval of New Plan*".

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name and Title	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)
Subra Subramaniam Chairman and Chief Executive Officer	Nil	N/A	N/A	N/A	N/A	N/A
Roger Harman Chief Financial Officer	Nil	N/A	N/A	N/A	N/A	N/A
Derek Krivak Former President and Chief Executive Officer	300,000	\$0.98	June 3, 2013	N/A	N/A	N/A
	550,000	\$0.25	December 3, 2013	N/A	N/A	N/A

Chris Morrison Former Vice-President, Engineering	200,000 320,000	\$0.98 \$0.25	May 29, 2011 May 29, 2011	N/A N/A	N/A N/A	N/A N/A
W. Robert Bell Former Chief Executive Officer	Nil	N/A	N/A	N/A	N/A	N/A
Mark Roth Former Chief Financial Officer	Nil	N/A	N/A	N/A	N/A	N/A
Lori Bobye- Magnusson Former Chief Financial Officer	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2010, the last day the Common Shares traded in the financial year ended 2010, being \$0.175 per Common Share, and the exercise price of the options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each Named Executive Officer.

Name and Title	Option-Based Awards - Value vested during the year (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Subra Subramaniam Chairman and Chief Executive Officer	Nil	N/A	N/A
Roger Harman Chief Financial Officer	Nil	N/A	N/A
Derek Krivak Former President and Chief Executive Officer	Nil	N/A	N/A
Chris Morrison Former Vice-President, Engineering	Nil	N/A	N/A
W. Robert Bell Former Chief Executive Officer	Nil	N/A	N/A
Mark Roth Former Chief Financial Officer	Nil	N/A	N/A
Lori Bobye-Magnusson Former Chief Financial Officer	Nil	N/A	N/A

The Corporation did not grant any option-based awards or share-based awards to the Named Executive Officers during the financial year ended 2010.

Option Repricings

There were no repricings of Stock Options under the Stock Option Plan or otherwise during the Corporation's completed financial year ended December 31, 2010.

Pension Plan Benefits

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits to any Named Executive Officer at, following or in connection with retirement.

Termination and Change of Control Benefits

At the date of this Information Circular the Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities.

DIRECTOR COMPENSATION

The Corporation currently has four (4) directors, one (1) of which is also a Named Executive Officer. For a description of the compensation paid to the Named Executive Officer of the Corporation who also acts as a director of the Corporation, see "*Executive Compensation*".

Director Compensation Table

The following table sets forth all compensation provided to directors who are not also Named Executive Officers ("**Outside Directors**") of the Corporation for the financial year ended December 31, 2010.

Name	Fees Earned (\$)	Share- Based Awards (\$) ⁽¹⁾	Option- Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Ian McMurtrie	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Rudolf Cech	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ashok Bhasin	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.

Narrative Discussion

During the financial year ended December 31, 2010, the Corporation granted no stock options to Outside Directors. During the financial year ended December 31, 2010, the Corporation paid no cash compensation (including salaries, directors' fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered) to Outside Directors or corporations controlled by them for services rendered in their capacity as directors other than reimbursement of reasonable out-of-pocket expenses.

Incentive Plan Awards

As discussed in this Information Circular under “*Executive Compensation - Compensation Discussion and Analysis - Stock Options*”, the Corporation is seeking shareholder approval of the New Plan in substantially the form attached as Schedule “A” to this Information Circular. The significant terms of the New Plan are disclosed in this Information Circular under “*Particulars Of Matters To Be Acted Upon - Approval of New Plan*”.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name	Option-Based Awards			Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)
Ian McMurtrie	Nil	N/A	N/A	N/A	N/A	N/A
Rudolph Cech	100,000	\$0.25	December 3, 2013	Nil	Nil	N/A
Ashok Bhasin	Nil	N/A	N/A	N/A	N/A	N/a

Notes:

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 31, 2010, the last day the Common Shares traded in the financial year ended 2010, being \$0.175 per Common Share, and the exercise price of the options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for Outside Directors of the Corporation.

Name	Option-Based Awards - Value vested during the year (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Ian McMurtrie	Nil	Nil	Nil
Rudolph Cech	Nil	Nil	Nil
Ashok Bhasin	Nil	Nil	Nil

The Corporation did not grant any option-based awards or share-based awards to the Outside Directors during the financial year ended 2010.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

Trevor Wong-Chor, the Corporate Secretary of the Corporation, is presently a partner with the law firm of Davis LLP, legal counsel to the Corporation. During the financial year ended December 31, 2010, Davis LLP received \$Nil for fees in consideration of legal services provided to the Corporation. The Corporation did not grant any stock options to Mr. Wong-Chor during the year ended December 31, 2010.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that were authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)⁽¹⁾
Equity compensation plans approved by securityholders	1,896,000 Common Shares	\$0.462	16,104,000 Common Shares
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	1,896,000 Common Shares	\$0.462	16,104,000 Common Shares

Note:

- (1) The Corporation's current Plan is a fixed plan, such that the aggregate number of Common Shares that are to be reserved for issuance under the Plan shall not exceed 18,000,000 Common Shares.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights

attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no person who has been a director or executive officer of the Corporation since the beginning of the most recently completed financial year, or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

AUDIT COMMITTEE

The Audit Committee is a committee of the Board of Directors to which the Board of Directors delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the shareholders, the relationship between the Corporation and the external auditor.

Pursuant to National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”) the Corporation is required, 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, as set forth in the following.

Audit Committee Charter

The Corporation must, pursuant to NI 52-110, have a written charter which sets out the duties and responsibilities of its Audit Committee. The Corporation’s audit committee is governed by an audit committee charter, the text of which is attached as Schedule “B” to this Information Circular.

Audit Committee Composition

The following are the members of the Audit Committee:

Rudolph Cech ⁽²⁾	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Ian McMurtrie	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Ashok Bhasin	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Subra Subramaniam	Not Independent ⁽¹⁾	Financially Literate ⁽¹⁾

Notes:

- (1) As defined by NI 52-110.
- (2) Chairman of the Audit Committee.

Relevant Education and Experience

All of the members of the Audit Committee have been either directly involved in the preparation of the financial statements, filing of quarterly and annual financial statements, dealing with auditors, or as a member of the Audit Committee. All members have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements.

Rudolph Cech

- Rudolf Cech has been President of Adur Energy Ltd., a private consulting company, since July 2006. Mr. Cech was the Senior Vice President of Sproule Associates Limited, International Division from 1992 until June 2006, a role in which he was required to make numerous presentations to audit committees and thereby obtained significant experience regarding financial operations and oversight. Mr. Cech earned a Masters of Science degree in Mining Engineering from the University of Ostrava and is a Professional Engineer.

Ian McMurtrie

- Ian McMurtrie has been the Executive Vice President, Exploration and Development and at present, a member of the Board of Directors of Bankers Petroleum Ltd. since January 2008, a role that has required considerable involvement with financial operations and oversight. He has also gained significant experience in financial matters through his directorships at Bankers Petroleum Ltd. and Porto Energy Corp. Mr. McMurtrie holds a B.Sc. (Honours) degree in Geology from Queen's University.

Ashok Bhasin

- Mr. Bhasin is an independent businessman, and has been involved with the energy industry for the last 40 years, with large and small energy companies in Canada. He has gained significant experience regarding financial operations and oversight through his role on the Board of Directors Niko Resources Ltd. and Sonoma Resources Lt. as well as his role as CEO and President of Globex Resources Ltd. He holds a Bachelor of Laws from the University of Delhi, India; and a Diploma in Business Administration, from the University of Toronto.

Subra Subramaniam

- Mr. Subramaniam is a successful and well established business executive and entrepreneur specialized in international business in the oil and gas industry with a market focus on Asia and with specific expertise on India. His wide industry expertise ranges from strategic planning, establishment of strategic partnerships/joint ventures, business development, government relations, operations management and general management, with proven experience and expertise in the upstream oil and gas business. He is also well-versed with the nuances of the mid-stream and down-stream activities of the oil industry. Mr. Subramaniam has a proven track record of having established and managed successfully various start-up operations, and in identifying and implementing growth oriented projects and activities. Mr. Subramaniam is a Commerce Graduate with Honors from the University of Delhi in India and has over 26 years experience in the Indian oil and gas marketplace.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

The Audit Committee had adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “*Audit Committee Charter - External Auditors*”.

External Auditor Service Fees

The aggregate fees billed by the Corporation’s external auditors in each of the last two (2) fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2010	\$40,000	Nil	\$2,350	\$15,000
2009	\$50,000	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit Related Fees” include services that are traditionally performed by the auditor. These audit related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice include assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, 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 of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. To achieve this goal, the Corporation has implemented an Audit Committee Charter and a whistleblower policy.

Pursuant to National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) which came into effect for financial years ending on or after June 30, 2005, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board of Directors is currently comprised of four (4) members and all of these individuals are nominated for re-election at the Meeting. Mr. Cech, Mr. McMurtrie and Mr. Bhasin are independent directors of the Corporation and have no ongoing interest or relationship with the Corporation other than their security holdings in the Corporation and serving as a director. Mr. Subramaniam, the Chairman and Chief Executive Officer of the Corporation, is a member of management and as a result, not an independent director.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or

indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. The Board of Directors is comprised of a sufficient number of independent directors to not interfere with independent judgment. The independent judgement of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors of the Corporation facilitates independent supervision of management through meetings of the Board of Directors and through frequent informal discussions among independent members of the Board of Directors and management. In addition, the Board of Directors have free access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers.

Directorships

The following directors of the Corporation are directors of other reporting issuers.

Director	Other Reporting Issuers
Rudolph Cech	Canadian Spirit Resources Ltd.
Ian McMurtrie	Bankers Petroleum Limited Porto Energy Corp.

Board Mandate

The Board of Directors does not have a written mandate. The Corporation has established committees which report to the Board of Directors. As additional committees are required, they will be established. The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees.

The Board of Directors is responsible for the supervision of the management of the Corporation and must act in the best interests of the Corporation and the shareholders. The Board of Directors acts in accordance with the *Business Corporations Act* (British Columbia), the Articles and By-laws of the Corporation, and the specific terms of reference as laid out for each committee and the Board as a whole. The Board of Directors has the responsibility for adopting a strategic planning process and reviewing and approving the Corporation's strategic plan developed and proposed by management and monitoring performance against the plan. The Board is responsible for developing and adopting policies and procedures to identify the principal business risks of the Corporation and ensure that appropriate systems are implemented to manage these risks. The Board is also responsible for developing and adopting policies and procedures to ensure that that integrity of the internal controls and management information systems of the Corporation. Matters that require Board approval include, among other things: (i) the approval of the quarterly and annual financial statements and management's discussion and analysis; (ii) the issuance of securities; (iii) significant acquisitions; (iv) annual capital and operating plans and budgets; and (v) the compensation of members of the senior management team.

Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current issues with the Corporation along with a description of the committees constituted by the Board of Directors. New directors are also expected to be required to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation. New directors are also given copies of the Corporation's policies.

The introduction and education process will be reviewed on an annual basis by the Board of Directors and will be revised as necessary.

Ethical Business Conduct

The Board of Directors has considered adopting a written code of business conduct and ethics and has decided it is not necessary to adopt such a code at the present time due to the current activity level of the Corporation.

The Board of Directors has adopted an anonymous third party whistleblower policy pursuant to which the circumstances of any actual or potential illegal or unethical behavior by employees or others associated with the Corporation can be reported. It is the responsibility of all directors, officers and employees to cooperate with any investigation by the Corporation instituted as a result of any such reporting.

The Board of Directors 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 director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation may also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board of Directors have not appointed a nominating committee. The Board of Directors determine new nominees to the Board of Directors although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board of Directors members including both formal and informal discussions among the Board of Directors members and officers.

Corporate Governance and Compensation

The members of the Corporate Governance and Compensation Committee are listed under "*Particulars Of Matters To Be Acted Upon - Election of Directors*". The responsibilities of the Corporate Governance and Compensation Committee in respect of compensation matters include reviewing and recommending to the Board of Directors the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation; non-CEO officer and director compensation; the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits. The responsibilities of the Corporate Governance and Compensation Committee in respect of corporate governance matters include addressing all governance issues identified by securities regulators and any additional issues as they arise by virtue of the operations and growth of the Corporation as being emerging progressive issues of corporate governance.

The Corporate Governance and Compensation Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

Other Board Committees

Other than the Audit Committee, the Corporation does not have any other Board committees.

Assessments

The Board will annually review its own performance and effectiveness as well as review annually the Audit Committee Charter and recommend revisions to the Board as necessary. Neither the Corporation nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Corporation feels its corporate governance practices are appropriate and effective for the Corporation, given its relatively small size. The Corporation's method of corporate governance allows for the Corporation to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden.

REPORT AND FINANCIAL STATEMENTS

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2010 and the report of the auditor thereon, copies of which have been previously provided to requesting shareholders of the Corporation. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management's discussion and analysis is available on SEDAR at www.sedar.com. A shareholder may also contact the Corporation at 3300 Bow Valley Square II, 205 - 5th Avenue S.W., Calgary, Alberta T2P 2V7, (403)514-9998 to request copies of the Corporation's most recent financial statements and management's discussion and analysis.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors of the Corporation, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Fix Number of Directors to be Elected at the Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that five (5) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).**

2. Election of Directors

The Corporation currently has four (4) directors and all but one of these directors are being nominated for re-election. Mr. Ian McMurtrie is not nominated for re-election. Management has also nominated Mr. Siva Chidambaram and Mr. Roger Harman, the current Chief Financial Officer, as directors of the Corporation to be elected at the Meeting. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five (5) years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her form of proxy that his or her Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (British Columbia) to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five (5) Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date⁽²⁾⁽³⁾
Subra Subramaniam⁽¹⁾ Calgary, Alberta Chairman and Chief Executive Officer and Director since February, 2011	Chairman and Chief Executive Officer of the Corporation since February 2011 prior to that Chairman and Managing Director of the Corporation since January 2010. Previously he was running a consulting company specializing in taking companies into India and South East Asia.	15,105,714 (9.38%)
Rudolph Cech⁽¹⁾ Calgary, Alberta Director since November, 2007	President of Adur Energy Ltd., a private consulting company, since July 2006. Senior Vice President of Sproule Associates Limited, International Division from 1992 until June 2006	100,000 (less than 1%)
Roger Harman Calgary, Alberta Proposed Director	Since November 2011, Mr. Harman has served as the Chief Financial Officer of the Corporation, prior to that the Chief Financial Officer of PRD Energy Inc. (formerly Pacific Roder Energy Inc.) and prior to that Chief Financial Officer of Canadian Superior Energy Inc.	1,400,000 (less than 1%)
Ashok Bhasin⁽¹⁾ Calgary, Alberta Director since December, 2010	Mr. Bhasin is an independent businessman, and has been involved with the energy industry for the last 40 years, with large and small energy companies in Canada. After a 27 year career with Gulf Canada Resources, he moved on to join the Board of Directors and the management of Niko Resources Ltd. He then led Globex Resources Ltd. as its CEO and President for a period of 7 years, until 2005.	1,300,000 (less than 1%)

Siva Chidambaram
Toronto, Ontario
Proposed Director

Since 2000, Director/Owner – Chidam Associates Inc., a Canadian consulting firm federally incorporated assisting Canadian firms to expand to emerging economies as part of global business development.

Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based on information furnished to the Corporation by the above individuals.
- (3) Assumes 161,002,686 Common Shares issued and outstanding.

Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director, within 10 years before the date of this Information Circular, has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order, or an order that denied the relevant company 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 company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (iii) within a year of that person ceasing to act in such 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. Bhasin was a director of Planet Organic Health Corp. (“Planet”) from December 2000 to October 2009. On April 29, 2010, six months after Mr. Bhasin left Planet, Planet filed for creditor protection under the *Companies Creditors’ Arrangement Act*. On June 8, 2010, the Corporation announced sale of its assets. As a result, the corporation had no longer any operating assets or active business and trading of the shares was halted for failing to maintain the minimum listing requirement of the TSX-V.

Personal Bankruptcies

No proposed director has within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

No proposed director has been subject to:

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

other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable securityholder in deciding whether to vote for a proposed director.

3. Appointment of Auditor

The Corporation's Bylaws provide that the auditors of the Corporation will be selected at each annual meeting of shareholders. Accordingly, shareholders will consider an ordinary resolution to appoint the firm of KPMG LLP, to serve as auditor for the Corporation until the close of the next annual general meeting of shareholders, and to authorize the Board of Directors to fix the remuneration as such.

Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing KPMG LLP, Chartered Accountants, of Calgary, Alberta, as auditor of the Corporation for the next ensuing year, to hold office until the close of the next annual meeting of shareholders or until they are removed from office or resign as provided by the Corporation's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the board of directors to fix the compensation of the auditor.

4. Approval of New Plan

The Corporation is proposing to replace the Plan with the New Plan in substantially the form attached hereto as Schedule "A". The New Plan is a 10% rolling stock option plan, where the Plan was a fixed plan fixing the number of stock options that could be granted under the Plan at a maximum of 18,000,000 options. The Board of Directors approved the adoption of the New Plan in substitution for the Plan, subject to the approval of the TSXV and the shareholders of the Corporation.

On December 15, 2008, the TSXV implemented changes to streamline its Policies, including Policy 4.4 relating to incentive stock options. The amended Policy 4.4 of the TSXV is less restrictive and now allows for option termination dates on ceasing to act for an issuer to be determined at the discretion of the board and for options to be granted for up to 10 years. Pursuant to the New Plan, the maximum length of any option shall be 10 years from the date the option is granted. Notwithstanding the above, a participant's options will expire 90 days after a participant ceases to act for the Corporation, other than by reason of death, subject to extension at the discretion of the Board. Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to the Corporation, subject to extension at the discretion of the Board. Similar to the Plan, under the New Plan, in the event of the death of a participant, the participant's estate shall have 12 months in which to exercise the outstanding options.

The New Plan, as did the Plan, complies with the policies of the TSXV and the Toronto Stock Exchange ("TSX"). The New Plan includes limitations on the maximum number of Common Shares issuable under the New Plan, a "black out" provision and an amendment provision in accordance with the policies of the TSX.

Under the New Plan, the Board of Directors may, from time to time, grant options to purchase Common Shares to certain directors, officers, employees and consultants of the Corporation and of its subsidiaries and affiliates. The maximum number of Common Shares issuable under the New Plan and all other security based compensation arrangements of the Corporation is 10% of the issued and outstanding number of Common Shares from time to time, subject to the following additional limitations:

- (a) the aggregate number of Common Shares reserved for issuance to any one person under the New Plan, together with all other security based compensation arrangements of the Corporation, must not exceed five (5%) percent of the then outstanding Common Shares (on a non-diluted basis);

- (b) in the aggregate, no more than 10% of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders under the New Plan, together with all other security based compensation arrangements of the Corporation;
- (c) the number of securities of the Corporation issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares;
- (d) options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Common Shares of the Corporation in any 12 month period to any one (1) consultant of the Corporation (or any of its subsidiaries); and
- (e) options shall not be granted if the exercise thereof would result in the issuance of more than two (2%) percent of the issued Common Shares of the Corporation in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one-quarter ($\frac{1}{4}$) of the options vesting in any three (3) month period.

The New Plan includes a black out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black out periods". A black out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSX recognizes these black out periods might result in an unintended penalty to employees who are prohibited from exercising their options during that period because of their company's internal trading policies. As a result, the TSX provides a framework for extending options that would otherwise expire during a black out period. The New Plan includes a provision that should an option expiration date fall within a black out period or immediately following a black out period, the expiration date will automatically be extended for 10 business days following the end of the black out period.

Based on the policies of the TSX, the New Plan specifies the types of amendments to the New Plan and the options granted thereunder that can be made by the Board without the approval of the shareholders. The New Plan allows the Board to terminate or discontinue the New Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any option previously granted under the New Plan. The only amendments to the New Plan that would be subject to shareholder approval are amendments that would:

- (a) reduce the exercise price of an option held by an insider of the Corporation;
- (b) extend the expiry date of an option held by an insider of the Corporation (subject to such date being extended by virtue of the black out provision noted above);
- (c) amend the limitations on the maximum number of Common Shares reserved or issued to insiders;
- (d) increase the maximum number of Common Shares issuable pursuant to the New Plan; or
- (e) amend the amendment provisions of the New Plan.

Effective January 1, 2011, public companies such as the Corporation must withhold and remit to Canada Revenue Agency amounts from the employment benefit realized on the exercise of employee stock options. As such, the New Plan also includes provisions that provide mechanisms to facilitate this withholding.

Policy 4.4 of the TSXV requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. In accordance with Policy 4.4, the shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving and adopting the New Plan as the Corporation's stock option plan. In order for the resolution approving and adopting the New Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

The text of the ordinary resolution which management intends to place before the Meeting for the approval and adoption of the New Plan is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

- 1. the stock option plan of the Corporation in substantially the form attached as Schedule “A” to the Information Circular dated August 25, 2011 (the “New Plan”) be and is hereby approved and adopted as the stock option plan of the Corporation;**
- 2. the form of the New Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;**
- 3. the termination of the current stock option plan (the “Plan”) of the Corporation is hereby approved;**
- 4. all issued and outstanding stock options previously granted are hereby continued under and governed by the New Plan;**
- 5. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
- 6. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

5. Approval of Consolidation

Shareholders of the Corporation are being asked at the Meeting to pass a special resolution, set forth in this Information Circular below, seeking approval of an amendment to the Articles of the Corporation to consolidate the issued and outstanding pre-Consolidation Common Shares. If the special resolution is approved, the board of directors will forthwith consolidate the Common Shares on a ratio ranging from a ten-to-one (10:1) and a fifteen-to-one (15:1) basis.

Given the maximum Consolidation range of one (1) post-Consolidation Common Share issued for every fifteen (15) pre-Consolidation Common Shares outstanding, and the 161,002,686 pre-Consolidation Common Shares issued and outstanding as at August 25, 2011, the estimated number of post-Consolidation Common Shares at a fifteen-to-one ratio would be 10,733,512 Common Shares.

Under the Consolidation, no fractional shares will be issued. In the event that a shareholder would otherwise be entitled to a fractional share pursuant to the Consolidation, the number of Common Shares issued to such holder shall be rounded up to the next greater whole number of Common Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Common Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Common Shares registered in the name of or beneficially held by such holder of Common Shares or their nominee shall be aggregated.

Approval of the special resolution by the shareholders would give the board of directors authority to forthwith implement the Consolidation. The Consolidation would be subject to approval by the TSXV (or such exchange on which the Common Shares then trade), and confirmation that, on a post-Consolidation basis, the Corporation will meet all applicable financial and distribution policies of the TSXV (or such exchange on which the Common Shares then trade).

Effect on Options and Warrants

The exercise price of any outstanding stock options or warrants of the Corporation will be proportionately adjusted upon the implementation of the Consolidation, in accordance with the terms of such securities, based on the Consolidation ratio ranging from a ten-to-one (10:1) and a fifteen-to-one (15:1) basis.

TSXV Approval of the Consolidation

Assuming the shareholder approval is achieved and assuming the board of directors of the Corporation determines to proceed with the Consolidation, approval of the TSXV will be sought. If the TSXV does not consent to the Consolidation, the Corporation will not proceed with the Consolidation.

At the Meeting, the shareholders will be asked to consider and, if thought fit, to approve the following special resolution, with or without variation:

“BE IT RESOLVED as a special resolution of the Corporation that:

- 1. the Articles of the Corporation be amended to consolidate (the “Consolidation”) the outstanding common shares (“Common Shares”) in the capital of the Corporation at a ratio ranging from ten-to-one (10:1) and fifteen-to-one (15:1);**
- 2. all fractional interests in the Common Shares resulting from the Consolidation shall be rounded up to the next greater whole number of Common Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Common Shares if the fractional entitlement is less than 0.5;**
- 3. any director or officer of the Corporation is authorized and directed for and on behalf of and in the name of the Corporation to do all acts and things and to sign, execute and deliver all declarations, documents, instruments and writings, as in the opinion of the director or officer are or may be necessary or advisable to give effect to and to complete the transactions referred to in the foregoing resolutions including, without limitation, executing and delivering the Notice of Alteration under the *Business Corporations Act* (British Columbia) to give effect to the foregoing resolutions; and**

4. **the board of directors of the Corporation may, without the further approval of the shareholders, revoke the above resolution if the board of directors determines, in its sole discretion, that it would be in the best interests of the Corporation to do so.**

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution approving the Consolidation. In order to be effective, the foregoing special resolution must be approved by the affirmative vote thereof by not less than two-thirds of the votes cast by the shareholders of the Corporation who vote on this special resolution, either in person or by proxy, at the Meeting. In the event that this special resolution is not passed, the Corporation will not proceed with the Consolidation as currently contemplated.

6. Approval of Name Change

The board of directors of the Corporation submits the special resolution, set forth in this Information Circular below, seeking approval of an amendment to the Articles of the Corporation to change the name of the Corporation to “Tight Resource Solutions Inc.” or such other name as the board of directors may determine at its sole discretion.

“BE IT RESOLVED as a special resolution of the Corporation that:

1. **the Articles of the Corporation a be amended to change the name of the Corporation to “Tight Resource Solutions Inc.” or such other name as the board of directors may choose, in its sole discretion;**
2. **any director or officer of the Corporation is authorized and directed for and on behalf of and in the name of the Corporation to do all acts and things and to sign, execute and deliver all declarations, documents, instruments and writings, as in the opinion of the director or officer are or may be necessary or advisable to give effect to and to complete the transactions referred to in the foregoing resolutions including, without limitation, executing and delivering Notice of Alteration under the *Business Corporations Act* (British Columbia) to give effect to the foregoing resolutions; and**
3. **the board of directors may, without the further approval of the shareholders, revoke the above resolution if the board of directors determines, in its sole discretion, that it would be in the best interests of the Corporation to do so.**

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution approving the Name Change. In order to be effective, the foregoing special resolution must be approved by the affirmative vote thereof by at least two-thirds of the votes cast by the shareholders of the Corporation who vote on this special resolution, either in person or by proxy, at the Meeting. In the event that this special resolution is not passed, the Corporation will not proceed with the Name Change as currently contemplated.

7. Approval of Continuance

The shareholders will be asked to consider and, if deemed advisable, approve and adopt a special resolution authorizing the board of directors, in its sole discretion, to apply for the discontinuance of the Corporation from the Province of British Columbia and to continue the Corporation into the Province of Alberta (previously defined as the “**Continuance**”). In addition, the shareholders will be asked to consider, and if thought fit, approve, with or without amendment, the form of Certificate of Incorporation and Articles of Incorporation of the Corporation to

be filed in Alberta as required in connection with the Continuance and a form of by-laws of the Corporation which comply with the provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”).

The Continuance will affect certain of the rights of shareholders as they currently exist under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). This summary is not intended to be exhaustive, therefore shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.

Procedure in British Columbia for the Continuance

In order for the Continuance to become effective:

- (a) the shareholders of the Corporation must authorize by special resolution the application by the Corporation (the “**Continuance Application**”) to the Registrar of Corporation for the Province of Alberta, requesting that the Corporation be continued as if it had been incorporated under the laws of the Province of Alberta;
- (b) the registrar (“**Registrar**”) of corporations under the BCBCA must approve the proposed Continuance into the Province of Alberta, upon being satisfied that the Continuance will not adversely affect creditors or Shareholders of the Corporation;
- (c) the Corporation must file the Notice of Continuance with the Registrar, who will then issue a Certificate of Discontinuance;
- (d) on the date shown on the Certificate of Discontinuance, the Corporation becomes an extra-provincial corporation as if it had been incorporated under the laws of the Province of Alberta;
- (e) the Corporation will not be continued by the Registrar as a body corporate under the laws of the Province of Alberta unless those laws provide in effect that:
 - (i) the property of the Corporation continues to be the property of the body corporate;
 - (ii) the body corporate continues to be liable for the obligations of the Corporation;
 - (iii) an existing cause of action, claim or liability to prosecution is unaffected;
 - (iv) a civil, criminal or administrative action or proceeding pending by or against the Corporation may be continued to be prosecuted by or against the body corporate; and
 - (v) a conviction against, a ruling, order or judgment in favour of or against the Corporation may be enforced by or against the body corporate.

Effect of Continuance

Assuming that the special resolution relating to the Continuance is approved by the shareholders at the Meeting, it is expected that a Continuance Application will be filed with the Registrar and the procedures outlined above will begin as soon as practicable thereafter, as determined by the board of directors in its sole discretion, in order to give effect to the Continuance.

On the effective date of the Continuance, shareholders will continue to hold one post-Consolidation Common Share of the Corporation domiciled in the new jurisdiction for each post-Consolidation Common Share held. The existing certificates representing Common Shares of the Corporation’s stock will not be cancelled. Holders of convertible securities of the Corporation on the effective date of the Continuance will continue to hold convertible securities to purchase an identical number of Common Shares on substantially the same terms.

On the effective date of the Continuance, the principal attributes of the classes and series of the capital stock of the Corporation will remain the same. See “*Voting Shares and Principal Holders Thereof*” above.

Shareholders’ rights under the BCBCA and the ABCA are not identical. See “*Rights of Dissent and Appraisal*” below.

The Continuance, if approved, will affect a change in the legal domicile of the Corporation on the effective date thereof to the Province of Alberta, but the Corporation will not change its business or operations after the effective date of the Continuance.

The directors and officers of the Corporation immediately following the Continuance will be identical to the current directors and officers of the Corporation. As of the effective date of the Continuance, the election, duties, resignations and removal of the Corporation’s directors and officers shall be governed by the ABCA and the Corporation will no longer be subject to the corporate governance provisions of the BCBCA.

By operation of law applicable under the laws of the Province of Alberta, as of the effective date of the Continuance, all of the assets, property, rights, liabilities and obligations of the Corporation immediately prior to the Continuance will continue to be the assets, property, rights, liabilities and obligations of the Corporation continued under the laws of the Province of Alberta. As required to receive authorization of the Continuance by the Registrar under the BCBCA, on the effective date of the Continuance, the property of the Corporation will continue to be the property of the Corporation continued under the laws of the Province of Alberta; the Corporation will continue to be liable for the obligations of the Corporation; an existing cause of action, claim or liability to prosecution of the Corporation will be unaffected; a civil, criminal or administrative action or proceeding pending by or against the Corporation may be continued to be prosecuted by or against the Corporation; and a conviction against the Corporation may be continued against the continued Company or ruling, order or judgment in favour of or against the Corporation may be enforced by or against the continued Corporation.

Reason for Continuance

The board of directors believes it is desirable for the Corporation to continue its corporate existence under the laws of the Province of Alberta. The head office of the Corporation is presently located in the Province of Alberta. Management has therefore determined that it is appropriate to place before the Meeting a special resolution to approve the discontinuance of the Corporation from the Province of British Columbia and to continue the Corporation into the Province of Alberta pursuant to the ABCA.

Comparison between BC and Alberta Corporate Law

The following is a summary only of certain differences between the ABCA, the statute that will govern the corporate affairs of the Corporation upon the Continuance, and the BCBCA, the statute which currently governs the corporate affairs of the Corporation.

In approving the Continuance, shareholders will be approving the adoption of the Continuance and Articles for the Corporation and will be agreeing to hold securities in a company governed by the ABCA. This Information Circular summarizes some of the differences that could materially affect the rights and obligations of shareholders after giving effect to the Continuance. In exercising their vote, shareholders should consider the distinctions between the ABCA and the BCBCA, only some of which are outlined below.

Notwithstanding the alteration of shareholders’ rights and obligations under the ABCA and the proposed Continuance, the Corporation will still be bound by the rules and policies of the TSXV, the British Columbia

Securities Commission and the Alberta Securities Commission, as well as any other applicable securities legislation.

Nothing that follows should be construed as legal advice to any particular shareholder, all of whom are advised to consult their own legal advisors respecting all of the implications of the Continuance.

Charter Documents

Under the BCBCA, the charter documents consist of a “Notice of Articles”, which sets forth the name of the Corporation and the amount and type of authorized capital, and “Articles” (collectively, the “**Charter Documents**”). The Notice of Articles is filed with the Registrar and the Articles are filed only with the Corporation’s registered and records office.

Under the ABCA, the Corporation has “Articles” which set forth the name of the Corporation and the amount and type of authorized capital, and “by-laws” which govern the management of the Corporation. The Articles are filed with the Registrar of Corporations under the ABCA and the by-laws are filed only with the Corporation’s registered and records office.

The Continuance of the Corporation into the Province of Alberta under the ABCA makes it necessary for the shareholders to consider the adoption of by-laws of the Corporation at the Meeting. At the Meeting, shareholders will be asked to adopt By-law Number 1, being a by-law to govern the administration of the Corporation under the ABCA. Pursuant to the ABCA, the Board of Directors shall, by resolution, and subject to the Continuance of the Corporation under the ABCA, make, approve and adopt By-law Number 1, and the shareholders of the Corporation are required, by ordinary resolution, to confirm, reject or amend the adoption of By-law Number 1. A copy of By-law Number 1 is attached as Schedule “C” to this Information Circular.

If shareholders approve the Continuance under the ABCA, the Corporation’s share capital will consist of an unlimited number of common shares and an unlimited number of preferred shares, issuable in one or more series, without par value, which is different than as it currently has under the BCBCA. The Continuance to Alberta will not result in any substantive changes to the constitution, powers or management of the Corporation except as described herein.

Amendments to the Charter Documents of the Corporation

The ABCA requires a two-thirds majority vote to make substantive changes to the Corporation’s charter documents. Any substantive change to the corporate charter of a corporation under the BCBCA, such as an alteration of the restrictions, if any, of the business carried on by a corporation, a change in the name of a corporation or an increase or reduction of the authorized capital of a corporation requires a special resolution passed by:

- (a) the majority of votes that the Articles of the corporation specify is required for the corporation to pass a special resolution at a general meeting, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution; or
- (b) if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.

The BCBCA does allow some limited capital alterations to be approved by a simple majority or by the directors if the Articles so provide. The Corporation has not incorporated provisions into its proposed Articles that permit approval by a simple majority or by the directors, save that directors may by resolution approve a change of name.

Other fundamental changes pursuant to both the BCBCA and the ABCA, such as an alteration of the special rights and restrictions attached to issued shares or a proposed amalgamation or continuation of a corporation out of the jurisdiction, require a similar special resolution passed by the holders of shares of each class entitled to vote at a general meeting of the corporation and the holders of all classes of shares adversely affected by an alteration of special rights and restrictions.

Sale of Corporation's Undertaking

Under the BCBCA, a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation only if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the corporation specify is required for the corporation to pass a special resolution at a general meeting, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.

Under the ABCA, the approval of the shareholders of a corporation represented at a duly called meeting to which are attached not less than two thirds of the votes entitled to vote upon a sale, lease or exchange or all or substantially all of the property of the Corporation, and, where the class or series is affected by the sale, lease or exchange in a manner different from another class or series, the holders of shares of that class or series are entitled to vote separately as a class or series. Each share of the Corporation carries the right to vote in respect of the sale, lease or exchange whether or not it otherwise carries the right to vote.

Rights of Dissent and Appraisal

Division 2 of Part 8 of the BCBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to pass:

- (a) a resolution to alter the Articles to alter restrictions on the powers of the corporation or on the business it is permitted to carry on;
- (b) a resolution to adopt an amalgamation agreement;
- (c) a resolution to approve an amalgamation into a foreign jurisdiction;
- (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

The ABCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and requires the corporation to purchase the shares held by shareholders at the fair value of such shares. The dissent right is applicable where the company proposes to:

- (a) amend its Articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of a particular class or to add, change or remove any restriction on the business that the company may carry on;
- (b) continue under the laws of another jurisdiction;
- (c) sell, lease or exchange all or substantially all of its property; and
- (d) enter into a statutory amalgamation.

Oppression Remedies

Under the BCBCA a shareholder of a corporation has the right to apply to court on the grounds that:

- (a) the affairs of the corporation are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or
- (b) some act of the corporation has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit including an order to prohibit any act proposed by the company.

The ABCA contains rights that are substantially broader in that they are available to a larger class of complainants. Under the ABCA, a shareholder, former shareholder, director, former director, officer, former officer and creditors of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, or the business or affairs of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a corporation may, with leave of the court, prosecute a legal proceeding in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the ABCA, and this right extends to officers, former shareholders, former directors, former officers and creditors of a corporation or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the ABCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries.

Requisition of Meetings

The BCBCA provides that one or more shareholders of a company holding at least 1/20 of the issued voting shares of a company may give notice to the directors requiring them to call and hold a general meeting. The ABCA also provides this right.

Form of Proxy and Information Circular for Reporting Companies

The requirement for reporting issuers to provide a notice of a general meeting, a form of proxy and an information circular containing prescribed information regarding the matters to be dealt with at, and the conduct of the general meeting is now governed by securities legislation and is not governed by the BCBCA or the ABCA.

Indemnification

The ABCA allows a corporation to indemnify a director or former director or officer or former officer of a corporation or its affiliates against all liability and expenses reasonably incurred by him in a proceeding to which he is made party by reason of being or having been a director or officer if he acted honestly and in good faith with a view to the best interests of the corporation and, in cases where an action is or was substantially successful on the merits of his defense of the action or proceeding against him in his capacity as a director or officer.

The BCBCA provides a similar right. It allows a corporation to indemnify a past or present director or officer or other person who acted as a director or officer of affiliates, against expenses and eligible penalties relating to their actions as directors and officers of the company. Eligible penalties include judgments, fines, settlements and penalties. Subject to prohibitions, such as if the proceeding against the director was brought by the company itself, a company must pay the net expenses reasonably incurred by him if the party was substantially or wholly successful in the proceeding on the merits.

Giving Financial Assistance

The ABCA limits the circumstances under which a corporation may give financial assistance to any person only where there are reasonable grounds for believing that the corporation would be unable to meet its liabilities as they become due and the company's assets exceed the aggregate of its liabilities and stated capital of all classes. The BCBCA also provides this right.

Place of Meetings

Under the BCBCA, general meetings of shareholders are to be held in British Columbia or may be held, at a location outside of British Columbia if:

- (a) the location is provided for in the articles;
- (b) if the articles do not restrict the Corporation from approving a location outside of British Columbia, the location is approved by the resolution required by the articles for that purpose, or if no resolution is specified then approved by ordinary resolution before the meeting is held; or
- (c) the location is approved in writing by the Registrar of Companies before the meeting is held.

The ABCA provides that meetings of shareholders may be held inside Alberta and outside of Alberta where the corporation's articles so provide.

Directors

The BCBCA provides that a reporting corporation must have a minimum of three directors but does not impose any such residency requirements on the directors.

The ABCA provides that a distributing corporation must have at least three directors, at least two of whom are not be officers or employees of the corporation or its affiliates. In addition, under the ABCA, at least one-half of the directors must be resident Canadians.

Rights of Dissent to the Continuance

Shareholders are entitled to the dissent rights set out in Division 2 of Part 8 of the BCBCA (reproduced hereto as Schedule “D”) and to be paid the fair value of their Common Shares if such shareholder dissents to the Continuance and the Continuance becomes effective. Neither a vote against the Continuance Resolution, nor an abstention or the execution or exercise of a proxy vote against such resolution will constitute notice of dissent, but a shareholder need not vote against such resolution in order to dissent. A shareholder must dissent with respect to all Common Shares either held personally by him or on behalf of any one beneficial owner and which are registered in one name. A brief summary of the provisions of the dissent rights of shareholders under the BCBCA is set out below.

Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that ONLY A REGISTERED SHAREHOLDER IS ENTITLED TO DISSENT. A shareholder who beneficially owns Common Shares but is not the registered holder thereof, should contact the registered holder for assistance.

In order to dissent, a shareholder must send to the Corporation in the manner set forth below, a written notice of objection (the “**Notice of Dissent**”) to the Continuance Resolution. On the action approved by the Continuance Resolution becoming effective, the making of an agreement between the Corporation and the dissenting shareholder as to the payment to be made for the dissenting shareholder’s Common Shares or the pronouncement of an order by the Court, whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of his Common Shares in an amount agreed to by the Corporation and the Shareholder or in the amount of the judgment, as the case may be, which fair value shall be determined as of the close of business on the last Business Day before the day on which the resolution from which the dissent was adopted. Until any one of such events occurs, the shareholder may withdraw his dissent or the Corporation may rescind the resolution and in either event, the proceedings shall be discontinued.

If the Continuance is approved, the dissenting shareholder and the Corporation can agree on the fair market value of the shares that the shareholder is entitled to. Otherwise, either party may apply to the Court to fix the fair value of the Common Shares held by the dissenting shareholder and the Court shall make an order fixing the fair value of such Common Shares, giving judgment in that amount against the Corporation in favour of the dissenting shareholders and fixing the time by which the Corporation must pay that amount to the dissenting shareholder. If such an application is made by a dissenting shareholder, the Corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer (the “**Offer to Purchase**”) to pay to the dissenting shareholder, an amount considered by the directors of the Corporation to be the fair value of the subject Common Shares, together with a statement showing how the fair value of the subject Common Shares was determined. Every Offer to Purchase shall be on the same terms. At any time before the Court pronounces an order fixing the fair value of the dissenting shareholder’s Common Shares, a dissenting shareholder may make an agreement with the Corporation for the purchase of his Common Shares, in the amount of the Offer to Purchase, or otherwise. The Offer to Purchase shall be sent to each dissenting shareholder within 10 days of the Corporation being served with a copy of the originating notice. Any order of the Court may also contain directions in relation to the payment to

the shareholder of all or part of the sum offered by the Corporation for the Common Shares, the deposit of the certificates representing the Common Shares, and other matters.

If the Corporation is not permitted to make a payment to a dissenting shareholder due to there being reasonable grounds for believing that the Corporation is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities, then the Corporation shall, within ten days after the pronouncement of an order, or the making of an agreement between the Shareholder and the Corporation as to the payment to be made for his Common Shares, notify each dissenting Shareholder that it is unable lawfully to pay such dissenting Shareholders for their shares. Notwithstanding that a judgment has been given in favour of a dissenting shareholder by the Court, if the Corporation is not permitted to make a payment to a dissenting shareholder for the reasons stated in the previous paragraph, the dissenting shareholder by written notice delivered to the Corporation within 30 days after receiving the notice, as set forth in the previous paragraph, may withdraw his Notice of Dissent in which case the Corporation is deemed to consent to the withdrawal and the shareholder is reinstated to his full rights as a shareholder, failing which he retains his status as a claimant against the Corporation to be paid as soon as it is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Corporation but in priority to its shareholders.

In order to be effective, a written Notice of Dissent must be received by the Corporation's registered and records office at Davis LLP, 1000 Livingston Place, 250 -2nd Street S.W., Calgary, Alberta T2P 0C1, Attention: Trevor Wong-Chor, or by the Chairman of the Meeting, prior to the commencement or recommencement thereof.

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of his Common Shares. The BCBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each shareholder who might desire to exercise the dissenters' rights should carefully consider and comply with the provisions of Division 2 of Part 8 of the BCBCA as set forth in Schedule "D" hereto and consult such shareholders' legal advisor.

The directors of the Corporation may elect not to proceed with the Continuance if any notices of dissent are received.

Continuance Resolution

The complete text of the special resolution to be considered at the Meeting for approval, confirmation and adoption, with or without modification, is substantially as follows:

“BE IT HEREBY RESOLVED as a special resolution of the Corporation that:

- 1. the board of directors of the Corporation be and is hereby authorized to:**
 - a. make application for the discontinuance of the Corporation from the Province of British Columbia and make application for a Certificate of Discontinuance in respect thereof,**
 - b. continue the Corporation into the Province of Alberta under section 188 of the *Business Corporations Act* (Alberta) (the “ABCA”), and**
 - c. file a Certificate of Incorporation, a Certificate of Continuance and all such other certificates and writings with the Registrar of Corporations in Alberta as required in connection with such continuance resulting in the**

Corporation becoming incorporated under and subject to the laws of the Province of Alberta;

2. **subject to the issuance of such Certificate of Discontinuance and without affecting the validity of the Corporation and the existence of the Corporation by or under its charter documents and of any act done thereunder, the Corporation hereby approves and adopts: in substitution for the existing Certificate of Incorporation, the Certificate of Incorporation or Continuance and Articles of Incorporation under the ABCA, in the form to be approved by any director or officer of the Corporation and as may be accepted by Registrar of Corporations under the ABCA;**
3. **pursuant to the Continuance of the Corporation from the *Business Corporations Act* (British Columbia) to the ABCA, confirmation be given to the making, approval and adoption of By-law Number 1 attached as Schedule “C” to the Information Circular dated August 25, 2011 to govern the administration of the Corporation under the ABCA;**
4. **any director or officer of the Corporation be and is hereby individually authorized and directed for and on behalf of the Corporation to do all acts and things and to execute under the seal of the Corporation or otherwise and to deliver all such documents, instruments and writings as may be necessary or desirable in connection with the discontinuance of the Corporation from the Province of British Columbia and the continuance of the Corporation into the Province of Alberta without further resolution;**
5. **notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders of the Corporation; and**
6. **any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.”**

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the special resolution approving the Continuance. In order to be effective, the foregoing special resolution must be approved by the affirmative vote thereof by at least two-thirds of the votes cast by shareholders of the Corporation who vote on this special resolution, either in person or by proxy, at the Meeting. In the event that this special resolution is not passed, the Corporation will not proceed with the Continuance as currently contemplated.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management's discussion and analysis is available on SEDAR. A shareholder may contact the Corporation at 3300 Bow Valley Square II, 205 - 5th Avenue S.W., Calgary, Alberta T2P 2V7, (403)514-9998 to request copies of the Corporation's most recent financial statements and management's discussion and analysis.

BOARD APPROVAL

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

DATED this 25th day of August, 2011.

SCHEDULE "A"

NEW STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of Stealth Ventures Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

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

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

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

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (“**Management Corporation Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any one twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will

contain vesting provisions such that vesting occurs over at least 12 months with no more than $\frac{1}{4}$ of the options vesting in any 3 month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange Inc. (“**TSX Venture**”), the maximum term may not exceed 10 years.

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

“Black Out Period” means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

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

Subject to Section 12, if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board, unless such Participant was engaged in

investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation, subject to extension at the discretion of the Board.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. Death of Participant

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

13. Rights of Participant

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. Withholding Taxes

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Participant to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to a Participant;
- (b) require, as a condition of the issuance of Shares to a Participant that the Participant make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the Participant to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Shares until the Participant makes such payment; or

- (c) sell, on behalf of the Participant, all or any portion of Shares otherwise deliverable to the Participant until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Participant.

17. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

18. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

19. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

20. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

21. Interpretation

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

SCHEDULE “B”

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Stealth Ventures Ltd. (“Stealth” or the “Company”) is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must be “independent” (as such term is used in Multilateral Instrument 52-110 — Audit Committees (“MI 52-110”) unless the Board determines that the exemption contained in MI 52-110 is available and determines to rely thereon. The quorum for a meeting of the Committee is a majority of the members who are “independent”. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. All of the members of the Committee must be “financially literate” (as defined in MI 52-110) unless the Board determines that an exemption under MI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of MI 52-110. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“GAAP”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

1. Oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting.
2. Satisfy itself on behalf of the Board with respect to Stealth's internal control systems:

- identifying, monitoring and mitigating business risks; and
 - ensuring compliance with legal, ethical and regulatory requirements.
3. Review the annual financial statements of Stealth and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include but not be limited to:
- reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors; and
 - obtain explanations of significant variances with comparative reporting periods.
4. Review the financial statements, MD&A, annual information forms ("AIF") and all public disclosure containing audited or unaudited financial information before release and prior to Board approval. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public. The Committee must be satisfied that adequate procedures are in place for the review of Stealth's disclosure of all other financial information and will periodically assess the accuracy of those procedures.
5. With respect to the appointment of external auditors by the Board:
- recommend to the Board the external auditors to be nominated;
 - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
 - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Company to determine the auditors' independence;
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change; and
 - review and pre-approve any non-audit services to be provided to Stealth or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.
6. Review with external auditors (and internal auditor if one is appointed by Stealth) their assessment of the internal controls of Stealth, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the

financial statements of Stealth and its subsidiaries.

7. Review risk management policies and procedures of Stealth (i.e. hedging, litigation and insurance).
8. Maintain and administer the Company's "whistleblower" policy.
9. Review and approve Stealth's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Stealth.

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Company. The Committee will also have the authority to investigate any financial activity of Stealth. All employees of Stealth are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Stealth without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Minutes of all meetings of the Committee will be taken. The Chief Financial Officer will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chairman.
5. The Committee will meet with the external auditor at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditor and the Committee consider appropriate.
6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Company as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
8. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Company.
10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is

reconstituted.

11. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

SCHEDULE "C"

BY-LAW NUMBER 1

A by-law relating generally to
the transaction of the business
and affairs of

STEALTH VENTURES LTD.
(hereinafter referred to as the "**Corporation**")

DIRECTORS AND OFFICERS

1. **Calling of and Notice of Meetings** - Meetings of the board shall be held at such place and time and on such day as the chairman of the board, president, chief executive officer or a vice-president, if any, or any two directors may determine. Notice of meetings of the board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Each newly elected board may without notice hold its first meeting for the purposes of organization and the appointment of officers immediately following the meeting of shareholders at which such board was elected.
2. **Quorum** - Subject to the residency requirements contained in the Business Corporations Act, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the number of directors then elected or appointed, or such greater or lesser number of directors as the board may from time to time determine.
3. **Place of Meeting** - Meetings of the board may be held in or outside Canada.
4. **Votes to Govern** - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.
5. **Audit Committee** - When required by the Business Corporations Act the board shall, and at any other time the board may, appoint annually from among its number an Audit Committee to be composed of not fewer than three (3) directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The Audit Committee shall have the powers and duties provided in the Business Corporations Act and any other powers delegated by the board.
6. **Interest of Directors and Officers Generally in Contracts** - No director or officer shall be disqualified by his office from contracting with the Corporation nor shall any contract or arrangement entered into by or on behalf of the Corporation with any director or officer or in which any director or officer is in any way interested be liable to be voided nor shall any director or officer so contracting or being so interested be liable to account to the Corporation for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or of the fiduciary relationship thereby established; provided that the director or officer shall have complied with the provisions of the Business Corporations Act.
7. **Appointment of Officers** - Subject to the articles and any unanimous shareholder agreement, the board may from time to time appoint a president, chief executive officer, chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Business Corporations Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to the provisions of this by-law, an officer may but need not be a director and one person may hold more than one office.
8. **Chairman of the Board** - The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this

by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Business Corporations Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

9. **Managing Director** - The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall have such powers and duties as the board may specify.
10. **President** - If appointed, the president shall be the chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.
11. **Vice-President** - A vice-president shall have such powers and duties as the board or the chief executive officer may specify.
12. **Secretary** - The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer may specify.
13. **Treasurer** - The treasurer shall keep proper accounting records in compliance with the Business Corporations Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board or the chief executive officer may specify.
14. **Agents and Attorneys** - The board shall have the power from time to time to appoint agents and attorneys for the Corporation in or outside Canada with such powers as the board sees fit.

SHAREHOLDERS' MEETINGS

15. **Quorum** - Unless and until shares of the Corporation are sold to the public, subject to the requirements of the Business Corporations Act, a quorum for the transaction of business at any meeting of shareholders, irrespective of the number of persons actually present at the meeting, shall be one person present in person being a shareholder entitled to vote thereat or a duly appointed representative or proxyholder for an absent shareholder so entitled, and holding or representing in the aggregate not less than a majority of the outstanding shares of the Corporation entitled to vote at the meeting.

At such time as shares of the Corporation have been sold to the public, the quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of more than 29 days and not more than 90 days, notice of the adjourned meeting shall be given as for an original meeting but the management of the Corporation shall not be required to send a form of proxy in the form prescribed by the Act to each shareholder who is entitled to receive notice of the meeting. Those shareholders present at any duly adjourned meeting shall constitute a quorum.

16. **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Business Corporations Act, be determined by the majority of votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled a second or casting vote.
17. **Show of Hands** - Subject to the provisions of the Business Corporations Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.
18. **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Business Corporations Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

MEETING BY TELEPHONE

19. **Directors** - A director may participate in a meeting of the board or of a committee of the board by means of telephone or other communication facilities that permit all persons participating in any such meeting to hear each other.

INDEMNIFICATION

20. **Indemnification of Directors and Officers** - The Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives to the extent permitted by the Business Corporations Act.
21. **Indemnity of Others** - Except as otherwise required by the Business Corporations Act and subject to paragraph 20, the Corporation may from time to time indemnify and save harmless any person who was or is a party or is threatened to be made a party to any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, agent of or participant in another body corporate, partnership, joint venture, trust or other enterprise, against expenses (including legal fees), judgments, fines and any amount actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his conduct was lawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not, of itself, create a presumption that the person did not act honestly and in good faith with a view to the best interests of the Corporation and, with respect to any criminal or administrative action or proceeding that is enforced by a monetary penalty, had no reasonable grounds for believing that his conduct was lawful.
22. **Right of Indemnity Not Exclusive** - The provisions for indemnification contained in the by-laws of the Corporation shall not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs and legal representatives of such a person.

23. **No Liability of Directors or Officers for Certain Matters** - To the extent permitted by law, no director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or body corporate with whom or which any moneys, securities or other assets belonging to the Corporation shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to act honestly and in good faith with a view to the best interests of the Corporation and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

DIVIDENDS

24. **Dividends** - Subject to the provisions of the Business Corporations Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.
25. **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.
26. **Non-Receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnify, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.
27. **Unclaimed Dividends** - Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

BANKING ARRANGEMENTS, CONTRACTS, DIVISIONS ETC.

28. **Banking Arrangements** - The banking business of the Corporation, or any part thereof, shall be transacted with such banks, trust companies or other financial institutions as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Corporation's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided.
29. **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one director or officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by

facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

- 30. Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such persons as may be determined by the officers executing or arranging for the same. In addition, the board may from time to time direct the manner in which and the persons by whom any particular voting rights or class of voting rights may or shall be exercised.
- 31. Creation and Consolidation of Divisions** - The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the board may consider appropriate in each case.
- 32. Name of Division** - Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.
- 33. Officers of Divisions** - From time to time the board or a person designated by the board, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or a person designated by the board, may remove at its or his pleasure any officer so appointed, without prejudice to such officers rights under any employment contract. Officers of divisions or their sub-units shall not, as such be officers of the Corporation.

MISCELLANEOUS

- 34. Invalidity of Any Provisions of This By-law** - The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.
- 35. Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

INTERPRETATION

- 36. Interpretation** - In this by-law and all other by-laws of the Corporation words importing the singular number only shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include an individual, partnership, association, body corporate, executor, administrator or legal representative and any number or aggregate of persons; “articles” include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement and articles of revival; “board” shall mean the board of directors of the Corporation; “Business Corporations Act” shall mean the Business Corporations Act (Alberta), R.S.A. 2000, c. B-9, as amended from time to time, or any Act that may hereafter be substituted therefor; “meeting of shareholders” shall mean and include an annual meeting of shareholders and a special meeting of shareholders of the Corporation; and “signing officers” means any person authorized to sign on behalf of the Corporation pursuant to paragraph 29.

SCHEDULE "D"

PART 8, DIVISION 2 - DISSENT PROCEEDINGS OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Definitions and application

237(1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238(1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the Continuance of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

- (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

- (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242(1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

- (i) the date on which the shareholder learns that the resolution was passed, and
- (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

- (i) the names of the registered owners of those other shares,
- (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
- (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

- (i) the name and address of the beneficial owner, and
- (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243(1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245(1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
- (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
- (c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do

so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.