
SINTANA ENERGY INC.

Management Information Circular

SOLICITATION OF PROXIES

This management information circular (the “Information Circular”) is furnished in connection with the solicitation by management of Sintana Energy Inc. (the “**Company**”) of proxies to be used at the annual and special meeting of shareholders of the Company (the “**Meeting**”) referred to in the accompanying Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) to be held on Monday, June 23, 2014, at the time and place and for the purposes set forth in the Notice. **The solicitation is made by the management of the Company and will be made primarily by mail, but proxies may also be solicited personally or by telephone by employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company. The information contained herein is given as of May 23, 2014, unless indicated otherwise.**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. **Each shareholder has the right to appoint a person or company, who need not be a shareholder of the Company, other than the persons named in the enclosed form of proxy, to represent such shareholder at the Meeting or any adjournment thereof. Such right may be exercised by inserting such person’s name in the blank space provided and striking out the names of management’s nominees in the enclosed form of proxy or by completing another proper form of proxy. All proxies must be executed by the shareholder or his or her attorney duly authorized in writing or, if the shareholder is a company, by an officer or attorney thereof duly authorized. The completed form of proxy must be deposited at the office of Olympia Transfer Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1, before 4:00 p.m. (Toronto time) on June 19, 2014.**

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by such proxy and may do so either:

1. **not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of holding the Meeting or adjournment thereof at which the proxy is to be used, by delivering another properly executed form of proxy bearing a later date and depositing it as aforesaid;**
2. **by depositing an instrument in writing revoking the proxy executed by him or her:**
 - (a) with Olympia Transfer Services Inc. at its office denoted herein at any time up to and including 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used; or
 - (b) with the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof; or

3. in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

Shares represented by properly executed proxies in favour of the persons named in the enclosed form of proxy **will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for** and, where the person whose proxy is solicited specifies a choice with respect to the matters identified in the proxy, **the shares will be voted or withheld from voting in accordance with the specifications so made. Where shareholders have properly executed proxies in favour of the persons named in the enclosed form of proxy and have not specified in the form of proxy the manner in which the named proxies are required to vote the shares represented thereby, such shares will be voted in favour of the passing of the matters set forth in the Notice.** The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to other matters that may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which at present are not known to management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Each holder of common shares in the capital of the Company (“**Common Shares**”) of record at the close of business on May 23, 2014 (the “**record date**”) will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. As of May 23, 2014, the Company had 310,632,503 issued and outstanding Common Shares. Each Common Share carries the right to one vote per share. The outstanding Common Shares are listed on the TSX Venture Exchange (the “**TSXV**”) under the symbol “SNN”.

To the knowledge of the directors and executive officers of the Company as of May 23, 2014, no person beneficially owns, controls or directs, directly or indirectly, 10% or more of the outstanding Common Shares, other than as set forth below:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed (Directly or Indirectly) ⁽¹⁾	Percentage of Issued and Outstanding Common Shares as of May 23, 2014
1832 Asset Management L.P. (formerly GCIC Ltd.)	56,033,599	18.04%
Front Street Investment Management Inc.	42,442,721	13.66%

(1) The information as to the number and percentage of Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained from publicly available sources.

NON-REGISTERED HOLDERS AND DELIVERY MATTERS

Only registered Shareholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. Non-Objecting Beneficial Owners (“NOBOs”) may also vote at a meeting when the Company chooses to mail to NOBOs directly.

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

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions.

If you have received the Company’s form of proxy, you may return it to Olympia Transfer Services Inc.: (i) by regular mail in the return envelope provided, or (ii) by fax at (416) 364-1827.

Objecting Beneficial Owners (“OBOs”) and other beneficial holders receive a Voting Instruction Form (“VIF”) from an Intermediary by way of instructions of their financial institution. Detailed instructions of how to submit your vote will be on the VIF.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or VIF is to be delivered.

The Company is not using the “notice-and-access” provisions of National Instrument 54-101 (“**NI 54-101**”) in connection with the delivery of the meeting materials in respect of the Meeting, nor is it sending such meeting materials directly to “non-objecting beneficial owners” in accordance with NI 54-101. The Company intends to pay for intermediaries to deliver such meeting materials to “objecting beneficial owners” as defined in NI 54-101.

COMPENSATION OF EXECUTIVE OFFICERS

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Company for the fiscal years ended December 31, 2013, 2012 and 2011, in respect of the individuals who served, during the fiscal year ended December 31, 2013, as the Chief Executive Officer, the Chief Financial Officer, the Vice President-Exploration and South America Manager, the Executive Chairman, and the Reservoir Engineering Manager of the Company (the “**Named Executive Officers**”). The Company had certain other executive officers or individuals acting in a similar capacity, whose total salaries and bonuses during the fiscal year ended December 31, 2013 exceeded \$150,000, including the President and Chief Operating Officer and the Vice President Controller and Secretary and Treasurer.

Summary Compensation Table

Name and Principal Position	Fiscal Year Ending	Salary	Share-based awards	Option-based awards	Non-equity incentive plan compensation		Pension value	All other compensation	Total compensation
					Annual Incentive Plans	Long-Term Incentive Plans			
Douglas Manner Chief Executive Officer and Director ⁽¹⁾	December 31, 2013	\$309,030 ⁽⁹⁾	Nil	\$94,000 ⁽¹⁰⁾	Nil	Nil	Nil	Nil	\$403,030
	December 31, 2012	\$249,900 ⁽⁴⁾⁽⁸⁾	Nil	Nil	\$49,980 ⁽⁴⁾ ₍₈₎	Nil	Nil	Nil	\$299,880
	December 31, 2011	\$190,980 ⁽⁷⁾	Nil	\$139,463 ⁽³⁾ ₍₇₎	Nil	Nil	Nil	Nil	\$330,443
Carmelo Marrelli, Chief Financial Officer	December 31, 2013	Nil	Nil	Nil	Nil	Nil	Nil	\$84,740	\$84,740
	December 31, 2012	Nil	Nil	Nil	Nil	Nil	Nil	\$77,123 ⁽⁵⁾	\$77,123
	December 31, 2011	Nil	Nil	\$42,828 ⁽³⁾ ₍₇₎	Nil	Nil	Nil	\$79,154 ⁽²⁾⁽⁷⁾	\$121,982
Phil de Gruyter, Vice President-Exploration and South America Manager ⁽⁶⁾	December 31, 2013	\$481,104 ⁽⁹⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$481,104
	December 31, 2012	\$387,190 ⁽⁸⁾	Nil	\$118,300 ⁽³⁾	Nil	Nil	Nil	Nil	\$505,490
	December 31, 2011	Nil	Nil	\$555,498 ⁽³⁾ ₍₇₎	Nil	Nil	Nil	Nil	\$555,498
Keith Spickelmier, Executive Chairman and Director	December 31, 2013	\$231,773 ⁽⁹⁾	Nil	\$94,000 ⁽¹⁰⁾	Nil	Nil	Nil	Nil	\$325,773
	December 31, 2012	\$224,910 ⁽⁸⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$224,910
	December 31, 2011	\$129,819	Nil	\$139,463 ⁽³⁾ ₍₇₎	Nil	Nil	Nil	Nil	\$269,282
Greg Schlatcher, Reservoir Engineering Manager	December 31, 2013	\$383,658 ⁽⁹⁾	Nil	Nil	Nil	Nil	Nil	Nil	\$383,658
	December 31, 2012	\$387,190 ⁽⁸⁾	Nil	\$67,600 ⁽³⁾	Nil	Nil	Nil	Nil	\$454,790
	December 31, 2011	\$47,642 ⁽⁷⁾	Nil	\$139,463 ⁽³⁾ ₍₇₎	Nil	Nil	Nil	Nil	\$187,105

Notes:

- (1) Mr. Manner was appointed as Chief Executive Officer effective April 27, 2011.
- (2) The Company expensed \$79,154 (December 31, 2010 - \$nil) to Marrelli CFO Outsource Syndicate Inc. ("Marrelli") and Marrelli Support Services Inc. ("MSSI") for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company during fiscal 2011.
- (3) The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 134% to 138%; risk-free interest rate of 1.17% to 2.23%; and an expected average life of five years.
- (4) These amounts together represent the aggregate consideration received by Mr. Manner from the Company in fiscal 2012, of which (i) \$121,707 was received prior to the business combination of the Company and ColCan Energy Corp.

effected on May 17, 2012 (the “Business Combination”); and (ii) \$178,293 was received after the Business Combination.

- (5) The Company expensed an aggregate of \$77,123 to Marrelli and MSSI for the services of Carmelo Marrelli to act as Chief Financial Officer of the Company during fiscal 2012, of which (i) \$38,296 was expensed prior to the Business Combination; and (ii) \$38,827 was expensed after the Business Combination.
- (6) Mr. de Gruyter was appointed as Vice President–Exploration and South America Manager on May 9, 2011.
- (7) US\$ converted to CAD\$ using a foreign exchange rate of 0.9891.
- (8) US\$ converted to CAD\$ using a foreign exchange rate of 0.9996.
- (9) US\$ converted to CAD\$ using a foreign exchange rate of 1.0301.
- (10) The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 130%; risk-free interest rate of 1.18%; and an expected average life of five years.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all issued and outstanding share-based and option-based awards held by each of the Named Executive Officers as of December 31, 2013.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested
Douglas Manner	1,000,000	\$0.20	December 20, 2016	Nil	Nil	Nil
	1,000,000	\$0.20	April 29, 2018	Nil		
Carmelo Marrelli	100,000	\$0.49	May 11, 2016	Nil	Nil	Nil
Phil de Gruyter	2,000,000	\$0.49	May 11, 2016	Nil	Nil	Nil
	1,000,000	\$0.20	December 20, 2016	Nil		
	700,000	\$0.20	November 28, 2017	Nil		
Keith Spickelmier	1,000,000	\$0.20	December 20, 2016	Nil	Nil	Nil
	1,000,000	\$0.20	April 29, 2018	Nil		
Greg Schlatter	1,000,000	\$0.20	December 20, 2016	Nil	Nil	Nil
	400,000	\$0.20	November 28, 2017	Nil		

Note:

- (1) Based upon the closing price of the Common Shares as at December 31, 2013 which was \$0.08 per share.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the fiscal year of the Company ended December 31, 2013 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the Named Executive Officers.

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
Douglas Manner	Nil	Nil	Nil
Carmelo Marrelli	Nil	Nil	Nil
Phil de Gruyter	Nil	Nil	Nil
Keith Spickelmier	Nil	Nil	Nil
Greg Schlatcher	Nil	Nil	Nil

For further details concerning the incentive plans of the Company, please see “Summary of Stock Option Plan” below.

COMPENSATION DISCUSSION AND ANALYSIS

The Company’s approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are capable of carrying out the objectives of the Company.

The Company’s compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options. Given the stage of development of the Company, compensation of the Named Executive Officers to date has primarily emphasized salary and stock option awards to attract and retain Named Executive Officers and, to a certain extent, to conserve cash. This policy may be re-evaluated from time to time depending upon the future development of the Company and other factors which may be considered relevant by the board of directors of the Company (the “**Board**”).

During fiscal 2013, (i) the current Chief Executive Officer of the Company was paid a salary of \$309,030 and received stock options valued at \$94,000; (ii) the Chief Financial Officer of the Company was not paid a salary although the Company expensed \$84,740 to Marrelli and MSSI for the services of the Chief Financial Officer; (iii) the Vice President-Exploration and South America Manager of the Company was paid a salary of \$481,104; (iv) the Executive Chairman of the Company was paid a fee of \$231,773 and received stock options valued at \$94,000; and (v) the Reservoir Engineering Manager of the Company was paid a salary of \$383,658. The Company’s objective in determining the compensation of its Named Executive Officers is to reward performance, while seeking to conserve cash given current market conditions and ongoing commitments. The Compensation Committee of the Board establishes and reviews the Company’s overall compensation philosophy and its general compensation policies with respect to the Chief Executive Officer and other executive officers, and makes recommendations to the Board with respect to the salary, bonus, options and other benefits for such officers. In determining compensation matters, the Compensation Committee may consider a number of factors, including the Company’s performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the Company has not established any objective criteria and will instead rely upon any recommendations of the Compensation Committee and discussions at the Board level with respect to the above-noted considerations and any other matters which the Compensation Committee and Board may consider relevant on a going-forward basis, including the cash position of the Company.

Existing options held by the Named Executive Officers at the time of subsequent option grants are taken into consideration in determining the quantum and terms of any such subsequent option grants. Options have been granted to directors, management, employees and certain service providers as long-term incentives to align the individual’s interests with those of the Company. The size of the option awards is in proportion to the deemed ability of the individual to make an impact on the Company’s success.

COMPENSATION OF DIRECTORS

Each director of the Company who is not also an executive officer is entitled to receive a fee of \$5,000 per quarter for his services as a director. Directors are also reimbursed for travel and other out of pocket expenses incurred in attending directors' and shareholders' meetings, and are entitled to receive compensation to the extent that they provide other services to the Company at rates that would be charged by such directors for such services to arm's length parties. During the year ending December 31, 2013, no such compensation was paid to any director, other than an aggregate of approximately \$231,773 which was paid to Keith Spickelmier in consideration of his ongoing services to the Company which are focused on strategic planning, business development, capital markets, public relations and investor relations activities. See "Compensation of Executive Officers".

Directors are also entitled to participate in the stock option plan of the Company. As of May 23, 2014, the Company had outstanding options to purchase 21,595,000 Common Shares, of which 3,225,000 have been granted to directors. See "Summary of Stock Option Plan".

Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Company for the fiscal year ended December 31, 2013, in respect of the individuals who were, during the fiscal year ended December 31, 2013, directors of the Company other than the Named Executive Officers.

Name	Fees Earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
Bruno Maruzzo	\$20,000	Nil	Nil	Nil	Nil	Nil	\$20,000
Ron MacMicken	\$20,000	Nil	Nil	Nil	Nil	Nil	\$20,000
Grant Fagerheim ⁽¹⁾	\$20,000	Nil	Nil	Nil	Nil	Nil	\$20,000

Note:

(1) Mr. Fagerheim resigned from the Board on January 2, 2014.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and option-based awards held by each of the directors of the Company other than the Named Executive Officers as of December 31, 2013.

Option-Based Awards					Share-Based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Bruno Maruzzo	100,000	\$0.49	May 11, 2016	Nil	Nil	Nil
	150,000	\$0.20	December 20, 2016	Nil		
	50,000	\$0.135	August 18, 2015	Nil		
Ron MacMicken	300,000	\$0.20	December 20, 2016	Nil	Nil	Nil
	2,625,000	\$0.27	April 19, 2016	Nil		
Grant Fagerheim ⁽²⁾	300,000	\$0.20	December 20, 2016	Nil	Nil	Nil

Notes:

(1) Based on the closing price of the Common Shares as at December 31, 2013 which was \$0.08 per share.

(2) Mr. Fagerheim resigned from the Board on January 2, 2014. The Board extended the exercise period for his options until January 2, 2015.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Company ended December 31, 2013 in respect of all option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Company, other than the Named Executive Officers.

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
Bruno Maruzzo	Nil	Nil	Nil
Ron MacMicken	Nil	Nil	Nil
Grant Fagerheim ⁽¹⁾	Nil	Nil	Nil

Note:

(1) Mr. Fagerheim resigned from the Board on January 2, 2014.

AUDIT COMMITTEE

Multilateral Instrument 52-110 - *Audit Committees* (“MI 52-110”) requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Company’s Audit Committee is governed by an Audit Committee charter, the text of which is attached as Schedule “A” to this Information Circular.

Composition of the Audit Committee

The Company’s Audit Committee is currently comprised of Messrs. Ron MacMicken and Bruno Maruzzo. Mr. Maruzzo is considered to be “independent” within the meaning of MI 52-110. Mr. MacMicken is not considered to be “independent” due to his previous service as an executive officer of a subsidiary of the Company. Each member of the Audit Committee is considered to be “financially

literate” which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Company.

Relevant Education and Experience

Mr. MacMicken is a Partner at Harrington Global Inc., a Toronto based merchant bank with a focus on domestic and international energy. He is a Director of Brevia Energy, a private, Alberta based junior oil and gas company. Mr. MacMicken is a former Managing Director, Investment Banking at Canaccord Genuity and a Director, Investment Banking at Cormark Securities with a focus on domestic and international oil and gas. He previously served as CEO & Director of Cub Energy (TSXV:CUB), a junior oil company with operations in Ukraine. Mr. MacMicken has 17 years of capital markets and advisory experience in Toronto, London and Calgary, with BMO Nesbitt Burns, Credit Suisse First Boston and National Bank Financial.

Mr. Bruno C. Maruzzo has been the President (principal) of TechnoVenture Inc., a Toronto based business consulting company, since May 2007. Mr. Maruzzo served as the Director of Corporate Development of GeneNews Ltd., a Richmond Hill based molecular diagnostic company, from November 2002 until April 2007. Mr. Maruzzo has also served on the audit committees of Pinetree Capital Ltd., Critical Outcome Technologies Inc., Hamilton Thorne Limited (formerly Calotto Capital Inc.) and Diagnos Inc. Mr Maruzzo has over 20 years of experience in working with small to medium size technology companies as well as in venture capital investing in technology oriented companies. Mr Maruzzo holds a BAsC in Electrical Engineering from the University of Waterloo, an MASc in Biomedical Engineering and an MBA, both from the University of Toronto.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve any significant non-audit services to be provided to the Company or its subsidiaries by the external auditor, with reference to compatibility of the service with the external auditor’s independence as prescribed by securities laws.

Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for the fiscal years ended December 31, 2012 and 2013:

Type of Work	Fiscal Year Ended December 31, 2012	Fiscal Year Ended December 31, 2013
Audit fees ⁽¹⁾	\$40,000	\$50,000
Audit-related fees ⁽²⁾	Nil	Nil
Tax advisory fees ⁽³⁾	\$4,125	Nil
All other fees ⁽⁴⁾	\$15,327	\$3,000
Total	\$59,452	\$53,000

Notes:

- (1) Aggregate fees billed by the Company’s external auditor in respect of audit services.

- (2) Aggregate fees billed by the Company’s external auditor in respect of assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported as “Audit fees”.
- (3) Aggregate fees billed by the Company’s external auditor in respect of tax compliance, advice, planning and assistance with tax for specific transactions.
- (4) Aggregate fees billed by the Company’s external auditor in respect of any product or service not otherwise disclosed. With respect to the fiscal year ended December 31, 2012, these fees related to assistance with accounting and reporting matters and administrative fees.

Exemption

The Company is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Company, as a “venture issuer”, is not required to comply with Part 5 (*Reporting Obligations*) of MI 52-110.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Set forth below is a summary of securities issued and issuable under all equity compensation plans of the Company as at December 31, 2013. See also “Summary of Stock Option Plan”.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	21,595,000	\$0.26	9,468,250 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	21,595,000	\$0.26	9,468,250 ⁽¹⁾

Note:

(1) Calculated based upon an aggregate of 310,632,503 Common Shares issued and outstanding as of December 31, 2013.

SUMMARY OF STOCK OPTION PLAN

The shareholders of the Company last approved the current stock option plan of the Company (the “**Option Plan**”) on June 26, 2013. The number of Common Shares reserved for issuance under the Option Plan may not exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time. Options to purchase 21,595,000 Common Shares are currently outstanding under the Option Plan as of May 23, 2014, and the Company may grant stock options to purchase up to an additional 9,468,250 Common Shares thereunder (based upon 10% of the issued and outstanding Common Shares as of May 23, 2014).

The purpose of the Option Plan is to attract, retain and motivate directors, officers, employees and other service providers of the Company by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth. The options granted under the Option Plan are non-assignable and may be granted for a term not exceeding five years.

Options may be granted under the Option Plan only to directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Option Plan may not exceed 5% of the issued and outstanding Common Shares within any one year period. The exercise price of options issued under the Option Plan may not be less than the market value of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable legislative and regulatory requirements. The maximum number of Common Shares which may be reserved for issuance to insiders under the Option Plan, any other employer stock option plans or options for services, is 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to any one consultant under the Option Plan, any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of stock options which may be granted to “investor relations persons” under the Option Plan, any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

At the Meeting, shareholders will be asked to consider and, if deemed fit, pass a resolution confirming the Option Plan. See “Particulars of Matters to be Acted Upon – Confirmation of Option Plan”.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 of the Canadian Securities Administrators has set out a series of guidelines for effective corporate governance (the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 (“**NI 58-101**”) of the Canadian Securities Administrators requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

Set out below is a description of the Company’s approach to corporate governance in relation to the Guidelines.

The Board of Directors

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the board of directors of the Company (the “**Board**”), be reasonably expected to interfere with such member’s independent judgement. The Board is currently comprised of four members, one of which the Board has determined is an “independent director” within the meaning of NI 58-101.

Messrs. Manner and Spickelmier are not considered to be “independent” as the result of their respective roles as executive officers of the Company, and Mr. MacMicken is not considered to be “independent” as a result of his previous service as an officer of a subsidiary of the Company.

Mr. Maruzzo is considered an independent director since he is independent of management and free from any material relationship with the Company. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2013, this independent director has not worked for the Company, received remuneration from the Company in excess of \$75,000 in any 12 month period within the last three years, and does not have material contracts with or material interests in the Company which could interfere with his ability to act with a view to the best interests of the Company.

The Board believes that it functions independent of management. To enhance its ability to act independent of management, the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. The Board did not hold any meetings of the independent directors in the absence of members of management and the non-independent directors during the fiscal year ended December 31, 2013

Directorships

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

<u>Name of director</u>	<u>Other reporting issuer (or equivalent in a foreign jurisdiction)</u>
Doug Manner	Mobius Resources Inc.
Keith Spickelmier	Discovery Energy Corp.
Bruno Maruzzo	Pinetree Capital Ltd., Critical Outcome Technologies Inc., Strike Graphite Corp., Hamilton Thorne Limited, Diagnos Inc.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, sufficient information (such as recent annual reports, annual information forms, prospectuses, proxy solicitation materials, technical reports and various other operating, property and budget reports and corporate presentations) is provided to any new Board member to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers, where appropriate, in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Ethical Business Conduct

The Board has adopted a formal Code of Ethics for directors, officers and employees. In order to ensure compliance with the Code of Ethics and that directors exercise independent judgement, the Board has assumed responsibility for approving transactions involving the Company and any "related party" (as that term is defined in Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions), and monitoring the Company's compliance with strategic planning matters. The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. In addition, the Board has adopted a Disclosure Policy and an Insider Trading and Blackout Policy.

Nomination of Directors

The full Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and a particular knowledge of oil and gas exploration, development and production or other areas (such as finance) which provide knowledge which would assist in guiding the officers of the Company. As such, nominations tend to be the result of recruitment efforts by management of the Company and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The Board has established a compensation committee which reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities, time commitment and risks involved in being an effective director. See "Compensation Discussion and Analysis".

Currently, the Company pays a fee of \$5,000 per quarter to each non-executive director for his service on the Board and other committees, as described under "Compensation of Directors". All directors are also eligible to participate in the Option Plan. See "Compensation of Directors" and "Summary of Stock Option Plan".

Other Board Committees

The Board currently has no standing committees other than the Audit Committee and the Compensation Committee. See also "Audit Committee".

Assessments

The Board has not implemented a formal process or means to regularly assess the effectiveness of the Board, its committees or individual directors. However, effectiveness is informally assessed on an ongoing basis based on the ability of the directors to fulfill their duties and responsibilities in a timely and efficient manner. The relatively small size of the Board allows for the contributions of an individual director to be informally monitored by the other Board members, in light of the individual's business and governance strengths and the specific purpose, if any, for which the individual was originally nominated to the Board. The Company feels its corporate governance practices are appropriate and effective, given its relatively small size and the nature of its operations. These practices allow the Company to operate efficiently, with simple checks and balances that control and monitor management and corporate functions without excessive administrative burden or delay.

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

Except as otherwise disclosed in this Information Circular, none of the directors or executive officers of the Company, no nominee for election as a director of the Company ("**Nominee**"), none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any

matter to be acted upon at the Meeting, other than the confirmation of the Option Plan, in connection with which the directors and executive officers of the Company may be entitled to receive stock option grants in the future. See “Particulars of Matters to be Acted Upon – Confirmation of Option Plan”.

CEASE TRADE ORDERS OR BANKRUPTCIES

Save for as set out below, no director of the Company or proposed director:

1. is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company that,
 - a. while that person was acting in that capacity, 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 (each, an “**Order**”), for a period of more than 30 consecutive days; or
 - b. was subject to an Order that was issued, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of such Order, that resulted from an event that occurred while that person was acting as a director or executive officer of that company;
2. has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
3. is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
4. has been subject to:
 - a. any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian 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.

Mr. Maruzzo was a director of CCPC Biotech Inc. from October 2000 to December 2004. CCPC Biotech Inc. was a “Capital Pool Company” that was formed in 2000. The company failed to complete a qualifying transaction in the allotted time frame and encountered financial difficulties. The company failed to file financial statements due to lack of funds and was cease traded in September 2002. The company was delisted in November 2003 for failure to complete a qualifying transaction and voluntarily dissolved in 2004.

Mr. Maruzzo was a director of Alert B&C Corporation (formerly Genomics One Corporation) from March 2004 until December 2007. Alert B&C Corporation failed to file financial statements due to a lack of funds and was cease traded from April 3, 2006 to May 8, 2006. The statements were filed and the cease trade order was lifted.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS
TO THE COMPANY**

Other than as set forth below, no individual who is, or at any time during the most recently completed fiscal year of the Company was, a director, executive officer, employee or former director, executive officer or employee of the Company, a Nominee, or any of their associates, is indebted to the Company or any subsidiary of the Company as of May 23, 2014 or was so indebted at any time during the last completed fiscal year of the Company, nor have any such individuals been or are currently indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any subsidiary of the Company.

Set forth below is a summary of the aggregate indebtedness of all current and former executive officers, directors, employees of the Company and its subsidiaries, as of May 23, 2014.

AGGREGATE INDEBTEDNESS		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share purchases	Nil	Nil
Other	\$195,092 owing to the Company ⁽¹⁾	Nil

(1) Calculated as US\$90,000 and COP\$169,970,000 converted to Canadian dollars based upon the prevalent exchange rates as of May 22, 2014 of Cdn\$1.00=US\$0.918 and Cdn\$1.00=COP\$1,751.31.

Set forth below is a summary of the indebtedness owing to the Company by each individual who is, or at any time during the most recently completed financial year of the Company was, a director or executive officer of the Company, a Nominee, or any associate of any such director, executive officer or Nominee, in any case who either is, or at any time during the most recently completed financial year of the Company was, indebted to the Company or any of its subsidiaries, or whose indebtedness to another entity is, or at any time during the most recently completed financial year of the Company was, the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or any of its subsidiaries.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During Most Recently Completed Financial Year	Amount Outstanding as at May 23, 2014	Financially Assisted Securities Purchases During Most Recently Completed Financial Year	Security for Indebtedness	Amount Forgiven During Most Recently Completed Financial Year
Securities Purchase Programs						
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other Programs						
Phil de Gruyter, Vice President - Exploration and South America Manager	Company is lender	\$195,092 ⁽¹⁾	\$195,092 ⁽²⁾	None	None	Nil

Note:

- (1) The maximum amount that has been outstanding in connection with this indebtedness since January 1, 2013 is \$195,092, calculated as US\$90,000 and COP\$169,970,000 converted to Canadian dollars based upon the prevalent exchange rates as of May 22, 2014 of Cdn\$1.00=US\$0.918 and Cdn\$1.00=COP\$1,751.31. This amount represents a cash advance made by the Company to Mr. de Gruyter in connection with amounts owing by Mr. de Gruyter in respect of applicable taxes in each of Canada and Colombia due to his relocation for employment purposes. No interest is being charged on this cash advance, and it does not bear any set term. It is anticipated that the cash advance will be repaid in full upon the receipt of applicable tax refunds owing to Mr. de Gruyter, or alternatively the Company may withhold applicable compensation otherwise owing to Mr. de Gruyter.
- (2) Calculated as US\$90,000 and COP\$169,970,000 converted to Canadian dollars based upon the prevalent exchange rates as of May 22, 2014 of Cdn\$1.00=US\$0.918 and Cdn\$1.00=COP\$1,715.31.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains liability insurance for the directors and officers of the Company. The Company's policy of insurance is currently in effect until May 4, 2015. An annual premium of approximately \$20,500 plus applicable taxes has been paid by the Company. No portion of the premium is directly paid by any of the directors or officers of the Company. The aggregate insurance coverage under the policy

for both directors and officers is limited to \$10,000,000 with a \$25,000 deductible (which is paid by the Company). No claims have been made or paid to date under such policy.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, shareholder beneficially owning or exercising control or direction over (directly or indirectly) more than 10% of the Common Shares, or Nominee, and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the beginning of the Company's last completed fiscal year or in any proposed transaction which, in either such case, has materially affected or will materially affect the Company, other than as set forth below.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The shareholders will receive and consider the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2013 together with the auditor's report thereon.

2. Election of Directors

Under the constating documents of the Company, the Board is to consist of a minimum of one and a maximum of ten directors, to be elected annually. Each director holds office until the next annual meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the Company's by-laws. On any ballot that may be called for in the election of directors, the persons named in the enclosed form of proxy intend to cast the votes to which the Common Shares represented by such proxy are entitled for the proposed Nominees whose names are set forth below, unless the shareholder who has given such proxy has directed that the Common Shares be otherwise voted or withheld from voting in respect of the election of directors. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for other Nominees at their discretion.

The following table sets out the name of each of the Nominees, all positions and offices in the Company held by each of them, the principal occupation or employment of each of them for the past five years, the year in which each was first elected a director of the Company and the approximate number of Common Shares that each has advised are beneficially owned or subject to his or her control or direction (directly or indirectly):

Name and Province of Residence	Position	Principal Occupation	Director Since	Number of Common Shares Held or Controlled⁽¹⁾
Doug Manner Plano, Texas	Chief Executive Officer and Director	Chief Executive Officer of the Company (2011 to present) Managing Director of Northbrook Energy LLC (July 9, 2008 to 2011), an oil and gas exploration and	2011	7,846,667 Common Shares

		production company		
Keith Spickelmier Houston, Texas	Executive Chairman and Director	Executive Chairman of the Company (2011 to present) Chairman of Discovery Energy Corp. (2012 to present), an oil and gas exploration company Founding partner of Northbrook Energy LLC (2008 to 2011), an oil and gas exploration and production company	2011	7,846,666 Common Shares
Ron MacMicken ⁽²⁾ Toronto, Ontario	Director	Partner at Harrington Global Inc. (2013 to present), a Toronto based merchant bank with a focus on domestic and international energy Chief Executive Officer, Birch Island Capital Inc., a financial services company (2012 to 2013) Interim President and Chief Executive Officer of Santa Maria Petroleum Inc., a public junior oil and gas company (2011 to 2014) Interim President and Chief executive Officer of 3P International Energy Corp., an oil and gas exploration company (2011) President, Chief Operating Officer and Director of Delavaco Capital Inc., merchant banking firm (2011 to 2012) Managing Director of Investment Banking, Canaccord Genuity Corp., a securities broker dealer (2009 to 2011)	2011	5,550,000 Common Shares

		Director, Investment Banking, Cormark Securities Inc., a securities broker dealer (2006 to 2009)		
Bruno C. Maruzzo ⁽²⁾ Ontario, Canada	Director	President (principal) of TechnoVenture Inc., a Toronto based business consulting company (2007 to present)	2008	180,000 Common Shares

Notes:

- (1) The information as to Common Shares beneficially owned or over which the Nominees exercise control or direction (directly or indirectly) not being within the knowledge of the Company has been furnished by the respective Nominees individually.
- (2) Member of the Audit Committee. The Company does not currently have an Executive Committee.

The management representatives named in the attached form of proxy intend to vote the Common Shares represented by such proxy in favour of the election of the Nominees set forth in this Information Circular unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of such resolution.

3. Appointment of Auditors

The directors propose to nominate MNP LLP (previously known as MSCM LLP), the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of shareholders. MNP LLP was first appointed auditors of the Company in December, 2011, prior to which Schwartz Levitsky Feldmann LLP acted as auditors of the Company since November 2006.

In the past, the directors have negotiated with the auditors of the Company on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Company were reasonable and in the circumstances would be comparable to fees charged by other auditors providing similar services.

In order to appoint MNP LLP, Chartered Accountants as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

The management representatives named in the attached form of proxy intend to vote in favour of the appointment of MNP LLP, Chartered Accountants as auditors of the Company and in favour of authorizing the directors to fix the remuneration of the auditors, unless a shareholder specifies in the proxy that his or her Common Shares are to be withheld from voting in respect of the appointment of auditors and the fixing of their remuneration.

4. Confirmation of Option Plan.

The shareholders of the Company last approved the Option Plan on June 26, 2013. Up to 10% of the total number of Common Shares issued and outstanding from time to time are currently reserved for issue upon the exercise of options granted pursuant to the Option Plan. Options to purchase 21,595,000 Common Shares are currently outstanding under the Option Plan as of May 23, 2014. See "Summary of Stock Option Plan" above.

Set forth below is a summary of the 21,595,000 outstanding options to purchase Common Shares under the Option Plan as at the date hereof:

Holder	Number/Type of Shares Under Option	Date of Grant	Expiry Date	Exercise Price
All executive officers and past executive officers of the Corporation, as a group (6)	2,250,000 Common Shares	May 11, 2011	May 11, 2016	\$0.49
	4,150,000 Common Shares	December 20, 2011	December 20, 2016	\$0.20
	3,400,000 Common Shares	April 29, 2013	April 29, 2018	\$0.20
	700,000 Common Shares	November 28, 2012	November 28, 2017	\$0.20
	2,700,000 Common Shares	May 17, 2012	April 19, 2016	\$0.27
	300,000 Common Shares	May 17, 2012	April 25, 2017	\$0.27
All directors and past directors (who are not also executive officers), as a group (3)	100,000 Common Shares	May 11, 2011	May 11, 2016	\$0.49
	750,000 Common Shares	December 20, 2011	December 20, 2016	\$0.20
	50,000 Common Shares	August 18, 2010	August 18, 2015	\$0.135
	2,625,000 Common Shares	May 17, 2012	April 19, 2016	\$0.27
All other employees and past employees of the Corporation and all subsidiaries, as a group	200,000 Common Shares	May 11, 2011	May 11, 2016	\$0.49
	1,100,000 Common Shares	December 20, 2011	December 20, 2016	\$0.20
	600,000 Common Shares	November 28, 2012	November 28, 2017	\$0.20
All consultants of the Corporation as a group	150,000 Common Shares	May 11, 2011	May 11, 2016	\$0.49
	500,000 Common Shares	December 20, 2011	December 20, 2016	\$0.20
	1,290,000 Common Shares	May 17, 2012	April 19, 2016	\$0.27
	30,000 Common Shares	May 17, 2012	March 2, 2017	\$0.27
	700,000 Common Shares	November 28, 2012	November 28, 2017	\$0.20

The regulations of the TSXV mandate that the Company obtain shareholder approval of the Option Plan annually. Accordingly, shareholders will be invited at the Meeting to consider and, if thought fit, authorize the resolutions substantially in the form attached as Schedule B to this Information Circular (the “Option Plan Resolutions”) to confirm and ratify the Option Plan.

If the Option Plan Resolutions are approved, the Option Plan will remain in force and all options granted under the Option Plan to date will remain outstanding, in each case without any amendment to their terms. Approval of the Option Plan Resolutions will be obtained if a majority of the votes cast are in favour thereof.

The management representatives named in the attached form of proxy intend to vote in favour of the Option Plan Resolutions, unless a shareholder specifies in the proxy that his or her Common Shares are to be voted against the Option Plan Resolutions.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information is provided in the Company’s comparative financial statements and management discussion and analysis for the year ended December 31, 2013. Shareholders may contact the Company at its principal office address at 36 Toronto Street, Suite 1000, Toronto, Ontario, M5C 2C5 to request copies of the Company’s financial statements and management discussion and analysis.

APPROVAL

The contents and the sending of this Information Circular have been approved by the directors of the Company.

DATED: May 23, 2014.

(Signed)

Douglas G. Manner
Chief Executive Officer

SCHEDULE A

Charter of the Audit Committee of the Board of Directors of Sintana Energy Inc.

I PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Sintana Energy Inc. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation's outside auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

II **AUTHORITY OF THE AUDIT COMMITTEE**

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III **COMPOSITION AND MEETINGS**

1. The Committee shall be composed of three or more directors as designated by the Board from time to time.
2. The Committee and its membership shall meet all applicable securities law and listing requirements relating to independence and financial literacy. Each member shall be financially literate and at least a majority of the members shall be independent, as defined by applicable securities law and listing requirements.
3. The members of the Committee shall appoint from among themselves a member who will serve as Chair.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
11. The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with International Financial Reporting Standards ("**IFRS**") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review and approve the interim financial statements. With respect to the annual and interim audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
3. The Committee shall review the financial statements, management's discussion and analysis relating to annual and interim financial statements, annual and interim earnings press releases and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws before the Corporation publicly discloses this information.
4. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection (3), and periodically assess the adequacy of these procedures.
5. The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.

6. The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. If appropriate, the Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.

B Independent Auditors

1. The Committee shall be responsible for recommending the appointment, compensation and oversight of the Independent Auditors and the Independent Auditors shall report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all significant audit and all non-audit services not prohibited by law to be provided by the Independent Auditors.
4. The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors. The Committee shall establish procedures to receive and respond to complaints with respect to accounting, internal accounting controls and auditing matters.
5. The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit and receive and review the auditor's interim review reports, if any.
7. The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the Independent Auditors' preferred

treatment and material written communications between the Corporation and the Independent Auditors.

8. The Committee shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management and the external auditors, and monitor and support the independence and objectivity of the external auditors.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE B

OPTION PLAN RESOLUTIONS

BE IT RESOLVED THAT:

1. the stock option plan of the Company (the “**Plan**”) most recently approved by the shareholders of the Company on June 26, 2013, and the reservation for issuance thereunder of up to 10% of the aggregate number of common shares of the Company as are issued and outstanding from time to time, is hereby approved, ratified and confirmed;
2. the Plan be authorized and approved as the stock option plan of the Company, subject to any limitations imposed by applicable regulations, laws, rules and policies; and
3. any officer or director of the Company is authorized and directed to execute and deliver, under corporate seal or otherwise, all such documents and instruments and to do all such acts as in the opinion of such officer or director may be necessary or desirable to give effect to this resolution.