



**ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, DECEMBER 11, 2019
NOTICE OF MEETING
AND MANAGEMENT PROXY AND INFORMATION CIRCULAR
DATED NOVEMBER 6, 2019**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF MARKSMEN ENERGY INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF MARKSMEN ENERGY INC. TO BE HELD ON WEDNESDAY, DECEMBER 11, 2019.

TO BE HELD AT:

**THE OFFICES OF BURSTALL LLP
SUITE 1600, 333 - 7TH AVENUE S.W.
CALGARY, ALBERTA
AT 11:00 A.M.**

MARKSMEN ENERGY INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the "**Meeting**") of holders of common shares ("**Common Shares**") of Marksmen Energy Inc. (the "**Corporation**") will be held at the offices of Burstall LLP, Suite 1600, 333 - 7th Avenue S.W., Calgary, Alberta, on Wednesday, December 11, 2019 at 11:00 a.m. for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2018 and the report of the auditor thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at six (6);
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor's remuneration;
5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the Meeting, relating to the approval of the stock option plan of the Corporation; and
6. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

DATED this 6th day of November, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

"Archibald J. Nesbitt"

Archibald J. Nesbitt

President, Chief Executive Officer and Director

NOTE:

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your Common 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 Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, before the Meeting or any adjournment thereof. A Shareholder may also vote by phone at 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside North America), or by internet voting at www.investorvote.com. 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.

**MARKSMEN ENERGY INC.
MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES**

INTRODUCTION

THIS MANAGEMENT INFORMATION CIRCULAR ("MANAGEMENT INFORMATION CIRCULAR") IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF MARKSMEN ENERGY INC. (THE "CORPORATION" OR "MARKSMEN") of proxies from the holders of common shares in the capital of the Corporation (the "**Common Shares**") for the annual general and special meeting of the shareholders (the "**Shareholders**") of the Corporation (the "**Meeting**") to be held on Wednesday, December 11, 2019 at 11:00 a.m. at the offices of Burstall LLP, Suite 1600, 333 - 7th 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, internet, email or other proxy solicitation services. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares 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 (the "**Board**" or the "**Board of Directors**") and have indicated their willingness to represent as proxy the Shareholder who appoints them. A Shareholder has the right to designate a person (whom 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 Common Shares are to be voted. The nominee should bring personal identification with him 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 Common 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 Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, before the Meeting or any adjournment thereof. A Shareholder may also vote by phone at 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside North America), or by internet voting at www.investorvote.com. 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 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 Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, 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 at any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his 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 ("**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 CDS Clearing and Depository Services Inc., 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.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "NOBOs". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

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 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 well in advance of the Meeting.**

All references to Shareholders in this Management 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 proxy how to vote his 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.**

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 which 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 currently provide that a quorum of Shareholders is present at a meeting of Shareholders of the Corporation if at least two (2) holders of not less than ten (10%) percent of the outstanding shares of the Corporation entitled to vote at the Meeting are present in person or by proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of Class "B" common non-voting shares, an unlimited number of First Preferred shares, issuable in series, and an unlimited number of Second Preferred shares, issuable in series and an unlimited number of Special Preferred Shares. As at the effective date of this Information Circular (the "**Effective Date**"), which is November 6, 2019, 107,993,590 Common Shares are issued and outstanding as fully paid and non-assessable. No other shares of any other class are issued or 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 November 6, 2019 (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 Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his 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 Common Shares at the Meeting.

To the knowledge of the directors and the executive 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, other than as set forth below.

<u>Name and Municipality of Residence</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number</u>	<u>% of Common Shares</u>
Glenn Walsh Richmond, British Columbia	Common Shares	Direct and Indirect	19,527,167 ⁽¹⁾⁽²⁾	18.08%
Dr. Peter Klaus Geib Frankfurt, Germany	Common Shares	Direct	10,886,000 ⁽³⁾	10.08%

Notes:

- (1) 11,257,167 of these Common Shares are held indirectly through Conex Services Inc., a company controlled by Mr. Walsh.
- (2) Mr. Walsh also holds share purchase warrants to acquire 3,017,500 Common Shares. If these share purchase warrants were exercised he would beneficially own or control 22,544,667 Common Shares representing approximately 20.20% of the then outstanding Common Shares.
- (3) Dr. Geib also holds share purchase warrants to acquire 1,755,500 Common Shares and stock options to acquire 525,000 Common Shares. If these share purchase warrants and stock options were exercised he would beneficially own or control 13,166,500 Common Shares representing approximately 11.94% of the then outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

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

1. Receipt of Financial Statements

The directors will place before the Meeting the audited financial statements for the financial year ended December 31, 2018, together with the auditors' report thereon (the "**Annual Financial Statements**"). The Annual Financial Statements have been sent to the Shareholders who have requested such financial statements in accordance with applicable securities laws and are also available on the System for Electronic Document Retrieval and Analysis ("**SEDAR**") of the Canadian Securities Administrators at www.sedar.com.

2. Fix Number of Directors

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.

The Board of Directors presently consists of six (6) directors, all of whom are being nominated for re-election. It is proposed that the number of directors for the ensuing year be set at six (6) and that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation unless his office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Alberta) or the Corporation's by-laws. **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 six (6).**

3. Election of Directors

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 years, the period during which the nominee has served as a director and the number and percentage of Common Shares 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.

The Board of Directors has adopted an individual voting standard for the election of directors at the Meeting. Under the individual voting standard, in the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his election as a director, the Board of Directors shall consider the circumstances of such vote, the particular attributes of the director nominee including his knowledge, experience and contribution at Board of Directors' meetings and make whatever determination the Board of Directors deems appropriate, including without limitation, requesting such director to resign at an appropriate time and advise Shareholders of the Board's decision in that regard. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board of Directors may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

Name, Municipality of Residence and Office	Present Occupation and Positions Held During the Last Five Years	Director Since	Number and Percentage of Common Shares owned, controlled or directed, directly or indirectly ⁽¹⁾
Archibald J. Nesbitt ⁽²⁾⁽⁴⁾ Calgary, AB President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation. Member of the Law Society of Alberta since 1978. Previously, a director of Channel Resources Ltd. from January 2012 until March 2014 and Margaux Resources Ltd. from January 2011 to June 2013.	August 11, 2010	10,522,697 ⁽⁵⁾ (9.74%)
John Niedermaier ⁽²⁾⁽⁴⁾ Calgary, AB Director	Chief Executive Officer of Mi Casa Rentals Inc. (private). Director of CMX Gold & Silver Corp. (CSE) since July 2012. Previously a director of Tyvan Oils Ltd. (private) until March 2013.	June 21, 2007	2,651,239 ⁽⁶⁾ (2.45%)
V.E. Dale Burstall ⁽³⁾ Calgary, AB Director	Partner at Burstall LLP since 1994.	December 5, 2012	2,377,778 ⁽⁷⁾ (2.20%)
Dr. Peter Klaus Geib ⁽³⁾ Frankfurt, Germany Director	Retired businessman.	December 15, 2016	10,886,000 (10.08%)
Donald Jones ⁽²⁾ Calgary, AB	Manager and Partner of ALW Partners LLP since 1981.	April 27, 2018	100,000 (0.09%)
Christopher Maxwell ⁽³⁾⁽⁴⁾ Okotoks, AB	SR Project Controls Specialist of Inter Pipeline since August 2018. Previously SR Project Controls Lead at TransCanada Pipelines from September 2009 to August 2018.	December 17, 2018	1,445,261 (1.34%)
Totals			27,982,975 (25.91%)

Notes:

- (1) The information as to shares owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors.
- (2) Member of the Audit Committee, of which Mr. Jones is the Chairman.
- (3) Member of the Corporate Governance and Compensation Committee, of which Mr. Geib is the Chairman.
- (4) Member of the Reserves Committee, of which Mr. Niedermaier is the Chairman.
- (5) 6,858,167 of these Common Shares are held indirectly through Archibald J. Nesbitt & Company Ltd., a company controlled by Mr. Nesbitt.
- (6) 370,000 of these Common Shares are held indirectly through LL&S Holdings Ltd., a company controlled by Mr. Niedermaier.
- (7) 2,207,778 of these Common Shares are held indirectly through Lost In Space, Inc., a company controlled by Mr. Burstall.

Cease Trade Orders

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Mr. Burstall was a director of Ranger Canyon Energy Inc. until September 27, 2011, which was cease traded by the Alberta Securities Commission on May 21, 2009 and continues to be cease traded for failure to file financial statements, management discussion and analysis and certificates of annual filings for the year ended December 31, 2008 and subsequent periods. Mr. Burstall was the Secretary of Turnkey E&P Inc., which was cease traded on December 14, 2009 by the Alberta Securities Commission for failure to file its interim unaudited financial statements, interim management's discussion and analysis, and certification of interim filings for the interim periods ended September 30, 2009. Similar orders were issued by the British Columbia Securities Commission, the Ontario Securities Commission, the Autorité des marchés financiers and the Manitoba Securities Commission. Mr. Burstall was the Secretary of Artevo Corporation, which had a receiver appointed over its affairs on or about December 19, 2009, and was subsequently cease traded on February 4, 2010 by the Alberta Securities Commission and on February 5, 2010 by the British Columbia Securities Commission, for failure to file its annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended September 30, 2009. On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, Mr. Burstall, along with three other individuals, were appointed directors of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015. Mr. Burstall is a director of Composite Alliance Group Inc. (formerly CanAsia Financial Inc., "**Composite**") since March 25, 2015. On May 5, 2016, the Alberta Securities Commission and other securities commissions cease traded Composite for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods. On September 27, 2017, the Alberta Securities Commission and other securities commissions revoked Composite's cease trade order.

Bankruptcies

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

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

Penalties and Sanctions

No proposed director of the Corporation has been subject to 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 has been subject to 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.

4. Appointment of Auditor

The current auditors of the Corporation are MNP LLP, Chartered Accountants. MNP LLP were first appointed auditors of the Corporation effective November 10, 2011.

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of MNP LLP, Chartered Accountants, to serve as auditors of the Corporation until the next annual meeting of the Shareholders or until a successor is appointed, and to authorize the directors to fix their remuneration.

5. Approval of Stock Option Plan

The TSX Venture Exchange Inc. (the "**TSXV**") requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan on an annual basis. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the current stock option plan of the Corporation (the "**Plan**") which was previously approved on December 17, 2018, as described below.

The terms of the Plan are summarized as follows. The Plan shall be administered by the Board of Directors, or if appointed, by a special committee of directors appointed from time to time by the Board of Directors (the "**Committee**"). The aggregate number of Common Shares which may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. The number of Common Shares subject to an option granted to a participant shall be determined by the Committee, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the Committee, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The foregoing summary of the Plan is qualified in its entirety by the full-text of the Plan, which is attached hereto as Exhibit I. Shareholders are encouraged to read the full-text of the Plan.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED THAT:

- (a) The Plan, substantially in the form set out as Exhibit I to the Information Circular dated November 6, 2019 be and the same is hereby approved and authorized with such modifications as may be required by the TSX Venture Exchange;
- (b) The maximum number of Common Shares which may be issued under the Plan shall be equal to ten percent (10%) of the then issued and outstanding Common Shares from time to time; and
- (c) Any one director or officer of the Corporation be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

In order for the resolution approving the 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. If the Plan is not approved by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The compensation program of the Corporation consists of base salary and stock option grants and is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase Shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The Corporation sets the total compensation amounts for management based on internal consideration of the amounts necessary to attract and retain executive talent. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the Corporation's stock option plan. Increasing the value of the Common Shares increases the value of the stock options. This incentive closely links the interests of the Named Executive Officers (as defined below) and directors to Shareholders of the Corporation.

Base Salary

Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year. In establishing base salaries, the Compensation and Corporate Governance Committee (or the Board of Directors as a whole) reviews general market salary levels for individuals in positions with similar responsibilities and experience. Generally, the Compensation and Corporate Governance Committee targets base salaries at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve targeted total compensation levels through the fixed and variable components. Comparable corporations are chosen based on their being in the industry and having a comparable asset base and/or revenues in a particular financial year. Comparable positions are identified based on publicly available information on such corporations. Base salary for the executive officers is approved by the Board of Directors.

Option-based Awards

The Corporation granted 1,050,000 stock options to the Named Executive Officers during the financial year ended December 31, 2018. Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation. The purpose of the stock option plan is to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract and retain persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. Stock options are also used as a means to promote the long-term

retention of individuals. The Corporation awards stock options to its executive officers and directors based upon the recommendation of the Compensation and Corporate Governance Committee, which recommendation is based upon the committee's review of proposals from the Chief Executive Officer. Previous grants of incentive stock options are taken into account when considering new grants.

The allocation of the number of options granted among the directors and officers of the Corporation is determined by the entire Board of Directors. See "*Incentive Plan Awards*" below and "*Director Compensation - Incentive Plan Awards*" below.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the years ended December 31, 2018, 2017 and 2016 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum (the "**Named Executive Officers**").

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year Ended December 31	Salary (\$)	Share Based Awards⁽¹⁾ (\$)	Option Based Awards⁽²⁾⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long- Term Incentive Plans	Pension Value (\$)		
Archibald J. Nesbitt	2018	Nil	Nil	67,615	Nil	Nil	Nil	179,100	246,715
President and Chief	2017	Nil	Nil	32,909	Nil	Nil	Nil	152,600	185,509
Executive Officer	2016	Nil	Nil	30,889	Nil	Nil	Nil	127,750 ⁽⁴⁾	158,639
John McIntyre	2018	90,000	Nil	41,262	Nil	Nil	Nil	Nil	131,262
Chief Financial	2017	97,000	Nil	24,222	Nil	Nil	Nil	Nil	121,722
Officer	2016	90,000	Nil	24,247	Nil	Nil	Nil	Nil	114,247

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 Options were granted for a period of five years and vest as to 1/3 on the issue dates of January 29, 2014, August 19, 2014, April 1, 2015, December 2, 2015, May 18, 2016, April 24, 2017, December 12, 2017, April 27, 2018 and November 22, 2018 and 1/3 on each of the first and second anniversary dates. The fair value of Options granted was estimated to be \$108,876. The estimated fair value was calculated at the time the options were granted using Black-Scholes based on the following weighted average assumptions: risk-free interest rate of 1.85%, expected life of 2.5 years, no annual dividends and expected volatility of 183.79%.
- (4) The amounts are comprised of payments made to Archibald J. Nesbitt & Company Ltd. for consulting services to the business in Ohio, investor relations in North America and Europe, corporate finance activities, and reimbursement for the provision of corporate offices and office administration. Additionally, Archibald J. Nesbitt & Company Ltd. invested cash into private placements of Marksmen in 2016 by purchasing 1,550,000 Common Shares, in 2017 by purchasing 921,667 Common Shares and in 2018 by purchasing 710,000 Common Shares.

Incentive Plan Awards

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 December 31, 2018, including awards granted before the 2018 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 Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value or Share Based Awards that have not vested (\$)
Archibald J. Nesbitt	200,000	0.17	January 29, 2019	2,000	N/A	N/A
	325,000	0.40	August 19, 2019	Nil		
	165,000	0.15	April 1, 2020	4,950		
	235,000	0.08	December 2, 2020	23,500		
	355,000	0.05	May 18, 2021	46,150		
	125,000	0.10	April 24, 2022	12,150		
	300,000	0.20	December 12, 2022	Nil		
	350,000	0.22	April 27, 2023	Nil		
	290,000	0.13	November 22, 2023	14,500		
John McIntyre	125,000	0.17	January 29, 2019	1,250	N/A	N/A
	225,000	0.40	August 19, 2019	Nil		
	120,000	0.15	April 1, 2020	3,600		
	205,000	0.08	December 2, 2020	20,500		
	305,000	0.05	May 18, 2021	39,650		
	200,000	0.10	April 24, 2022	16,000		
	100,000	0.20	December 12, 2022	Nil		
	210,000	0.22	April 27, 2023	Nil		
	200,000	0.13	November 22, 2023	10,000		

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at December 31, 2018 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, 2018, the last day the Common Shares traded in fiscal 2018, being \$0.18 per Common Share, and the exercise price of the Options.

Incentive Plan Awards - 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 (2018) for each Named Executive Officer.

Name	Option-Based Awards - Value vested during the year ⁽¹⁾ (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Archibald J. Nesbitt	81,127	Nil	Nil
John McIntyre	52,119	Nil	Nil

Note:

- (1) Based upon the difference between the exercise price of the stock options and the market price of the Common Shares on the date such options vested.

Pension Plan Benefits

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

Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a current 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

As at the year ended December 31, 2018, the Corporation had six (6) directors, one (1) of which (Archibald J. Nesbitt) was also a Named Executive Officer. For a description of the compensation paid to the Named Executive Officer 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, 2018.

<u>Name</u>	<u>Fees Earned (\$)</u>	<u>Share-Based Awards (\$)⁽¹⁾</u>	<u>Option-Based Awards (\$)⁽²⁾⁽³⁾</u>	<u>Non-Equity Incentive Plan Compensation (\$)</u>	<u>Pension Value (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
John Niedermaier	Nil	Nil	20,913	Nil	Nil	Nil	20,913
Dale Burstall	Nil	Nil	20,835	Nil	Nil	Nil	20,835
Dr. Peter Klaus Geib	Nil	Nil	19,746	Nil	Nil	Nil	19,746
Donald Jones	Nil	Nil	18,658	Nil	Nil	Nil	18,658
Christopher Maxwell	Nil	Nil	4,395	Nil	Nil	Nil	4,395

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 Options were granted for a period of five years and vest as to 1/3 on the issue dates of January 29, 2014, August 19, 2014, December 2, 2015, May 18, 2016, April 24, 2017, December 12, 2017, April 27, 2018, November 22, 2018 and December 21, 2018 and 1/3 on each of the first and second anniversary dates. The fair value of Options granted was estimated to be \$70,381. The estimated fair value was calculated at the time the options were granted using Black-Scholes based on the following weighted average assumptions: risk-free interest rate of 1.85%, expected life of 2.5 years, no annual dividends and expected volatility of 183.79%.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director as of December 31, 2018, including awards granted before the 2018 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 Options ⁽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 (#)
John Niedermaier	35,000	0.17	January 29, 2019	350	N/A	N/A
	75,000	0.40	August 19, 2019	Nil		
	220,000	0.08	December 2, 2020	22,000		
	140,000	0.05	May 18, 2021	18,200		
	125,000	0.20	December 12, 2022	Nil		
	50,000	0.22	April 27, 2023	Nil		
	100,000	0.13	November 22, 2023	5,000		
Dale Burstall	75,000	0.17	January 29, 2019	750	N/A	N/A
	50,000	0.40	August 19, 2019	Nil		
	100,000	0.08	December 2, 2020	10,000		
	100,000	0.05	May 18, 2021	13,000		
	125,000	0.20	December 12, 2022	Nil		
	50,000	0.22	April 27, 2023	Nil		
	100,000	0.13	November 22, 2023	5,000		
Dr. Peter Klaus Geib	300,000	0.10	April 24, 2022	24,000	N/A	N/A
	50,000	0.20	December 12, 2022	Nil		
	50,000	0.22	April 27, 2023	Nil		
	100,000	0.13	November 22, 2023	5,000		
Donald Jones	125,000	0.22	April 27, 2023	Nil	N/A	N/A
	100,000	0.13	November 22, 2023	5,000		
Christopher Maxwell	100,000	0.185	December 21, 2024	Nil	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 December 31, 2017 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, 2018, the last day the Common Shares traded in fiscal 2018, being \$0.18 per Common Share, and the exercise price of the Options.

Incentive Plan Awards - 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 (2018) for Outside Directors.

Name	Option-Based Awards - Value vested during the year (\$) ⁽¹⁾	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
John Niedermaier	11,221	N/A	N/A
Dale Burstall	11,221	N/A	N/A
Dr. Peter Klaus Geib	11,221	N/A	N/A
Donald Jones	24,053	N/A	N/A
Christopher Maxwell	12,666	N/A	N/A

Note:

- (1) Based upon the difference between the exercise price of the Options and the market price of the Common Shares on the date such Options vested.

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 (2018) other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at December 31, 2018.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders ⁽¹⁾	9,669,000	\$0.19	4,664
Equity compensation plans not approved by securityholders	Nil	N/A	Nil

Note:

- (1) The stock option plan is currently the only equity compensation plan of the Corporation, and all securities listed in the table above were issued under the stock option plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE 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, 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 since the commencement of the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation. Dale Burstall is a partner with Burstall LLP which provides legal services to the Corporation.

MANAGEMENT CONTRACTS

Other than as set forth herein, 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.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or executive officer of the Corporation 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. All of the directors and officer may receive options pursuant to the Plan.

AUDIT COMMITTEE DISCLOSURE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in the Corporation's Audit Committee charter.

Audit Committee Charter

The Board has developed a written Audit Committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Exhibit II to this Information Circular.

Audit Committee Composition

The Audit Committee consists of Donald Jones (Chairman), John Niedermaier and Archibald J. Nesbitt, all of whom are financially literate within the meaning of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") of the CSA. Messrs. Jones and Niedermaier are independent under NI 52-110 and Mr. Nesbitt is not considered to be independent under NI 52-110 as a result of being the current President and Chief Executive Officer of the Corporation.

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.

Relevant Education and Experience

Donald Jones

Mr. Jones, a chartered professional accountant and chartered accountant, has current experience on the audit committee of a private Canadian oil and gas service company and past experience as a director of a Canadian public technology company. He was appointed Chairman of the Audit Committee on May 29, 2018.

John Niedermaier

Mr. Niedermaier is a professional engineer and has over 50 years of oil industry experience. In that time, he has built several successful companies, including Badger Drilling, Derrick Drilling and Petro Well Services. Mr. Niedermaier is a director of several other oil and gas corporations, both private and public. Mr. Niedermaier is familiar with the audit process and the financial reporting process of both public and private companies.

Archibald J. Nesbitt

Mr. Nesbitt is currently the President and Chief Executive Officer of the Corporation. Mr. Nesbitt holds a Bachelor of Commerce with Honours from Queen's University and a Bachelor of Laws from the University of Western Ontario. Mr. Nesbitt has been a founder, director and senior officer of several public and private companies, and has held the positions of President, CEO and CFO.

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. However, the Corporation is relying upon the exemption in section 6.1 of NI 52-110, the exemption for venture issuers in relation to the requirement that every audit committee member be independent.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter under the subheading "*External Auditors*".

External Auditor Service Fees

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

	2018	2017
Audit fees ⁽¹⁾	\$36,450	\$37,000
Audit-related fees ⁽²⁾	Nil	Nil
Tax fees ⁽³⁾	6,000	6,700
All other fees ⁽⁴⁾	32,000	33,300
Total ⁽⁵⁾	<u>\$74,450</u>	<u>\$77,000</u>

Notes:

- (1) Audit fees were for profession services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.

- (2) Audit-related fees are for services related to performance of limited procedures performed by the Corporation's auditors related to interim reports.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Corporation's auditors and other accounting services.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf.

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 a Board of Directors Charter, Corporate Governance and Compensation Committee Charter, and Code of Conduct.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board of Directors is currently comprised of six members, all of whom are standing for re-election at the Meeting. John Niedermaier, Dr. Peter Klaus Geib, Donald Jones and Christopher Maxwell are the current independent directors of the Corporation.

Mr. Archibald J. Nesbitt, the President and Chief Executive Officer of the Corporation, is a member of management and, as a result, not an independent director. Mr. Burstall is not independent as a result of being legal counsel to the Corporation.

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, reasonably interfere with the exercise of a director's independent judgement. As disclosed above, the Board of Directors is comprised of a majority of independent directors. The independent judgement of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors facilitates independent supervision of management through meetings of the Board of Directors and through informal discussions among 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 hold directorships in other reporting issuers (or the equivalent) in jurisdictions in Canada or a foreign jurisdiction.

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
Dale Burstall	Newton Energy Corporation	TSXV (NEX)	Director	2013-02-11	Present
	Composite Alliance Group Inc.	TSXV	Director	2015-03-25	Present
	Big Dougie Capital Corp.	TSXV	Director and Corporate Secretary	2018-01-29	Present

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Name of Exchange or Market</u>	<u>Position</u>	<u>From</u>	<u>To</u>
John Niedermaier	CMX Gold & Silver Corp.	CSE	Director	2012-03-07	Present

Orientation and Continuing Education

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy and current issues with the Corporation. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation's business and are 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 adopted a written Code of Conduct. 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 also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), 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 has not appointed a nominating committee. The Board of Directors determines new nominees to the Board of Directors although no formal process has been adopted. The nominees are generally the result of recruitment efforts by members of the Board of Directors including both formal and informal discussions among the members of the Board of Directors and officers of the Corporation.

Compensation

The current members of the Corporate Governance and Compensation Committee are Dr. Peter Klaus Geib (Chairman), Dale Burstall and Christopher Maxwell. 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 of Directors Committees

The Corporation has no standing committees at this time, other than the Audit Committee and Corporate Governance and Compensation Committee as discussed above, and the Reserves Committee as discussed below.

Reserves Committee

The Reserves Committee is responsible for reviewing the procedures relating to the disclosure of information with respect to oil and gas activities, reviewing the appointment of the independent evaluator under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), reviewing the Corporation's procedures for providing information to the independent evaluator, meeting with management and the independent evaluator before approving the filing of the reserves data, reviewing the annual filings required by NI 51-101 and recommending approval to the Board of Directors and reviewing all disclosures made by or on behalf of the Corporation that is or will become available to the public. The Reserves Committee is currently comprised of John Niedermaier (Chairman), Archibald J. Nesbitt and Christopher Maxwell.

Assessments

The Board of Directors have not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board of Directors, the Board of Directors consider a formal assessment process to be unnecessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

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. All approvals by disinterested Shareholders require the approval of the Shareholders not affected by, or interested in, the matter to be approved.

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 discussion and analysis available on SEDAR. A Shareholder may contact the Corporation at:

Marksmen Energy Inc.
Suite 500, 400 - 3rd Avenue SW
Calgary, Alberta
T2P 4H2
Attention: Chief Financial Officer

to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

BOARD APPROVAL

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

EXHIBIT I

THIS IS EXHIBIT I ATTACHED TO AND MADE PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF MARKSMEN ENERGY INC. TO BE HELD ON DECEMBER 11, 2019.

MARKSMEN ENERGY INC. STOCK OPTION PLAN

1. The Plan

A stock option plan (the "**Plan**") pursuant to which options to purchase common shares ("**Common Shares**") in the capital stock of Marksmen Energy Inc. (the "**Corporation**") may be granted to the directors, officers and employees of, and to consultants retained by, the Corporation or any of its subsidiaries or affiliates is hereby established on the terms and conditions herein set forth.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of, and consultants retained by, the Corporation or any of its subsidiaries or affiliates to acquire Common Shares, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of the Corporation's Shareholders generally, (iii) encouraging such persons to remain associated with the Corporation or any of its subsidiaries or affiliates, and (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation or any of its subsidiaries or affiliates.

3. Administration

- (a) This Plan shall be administered by the Board of Directors of the Corporation (the "**Board**").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as hereinafter defined), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder, (ii) prescribe, amend and rescind rules and regulations relating to this Plan and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "**Board**" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3.

- (d) Options to purchase the Common Shares granted hereunder ("**Options**") shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve. Initially, the form of agreement shall be in the form attached hereto as Exhibit "A", subject to such changes and amendments to the terms and conditions thereof as the Board or the President may approve from time to time, with execution of an option agreement by an officer of the Corporation to constitute conclusive evidence as to the approval of all such terms and conditions.

4. **Common Shares Subject to Plan**

- (a) Subject to Section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares. Whenever used herein, the term "Common Shares" shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.
- (b) The aggregate number of Common Shares reserved for issuance under this Plan shall be equal to 10% of the aggregate Common Shares issued and outstanding from time to time (calculated on a non-diluted basis).
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Common Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. **Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the Corporation's obligations under all outstanding Options granted pursuant to this Plan.

6. **Eligibility and Participation**

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
 - (i) directors of the Corporation or any of its subsidiaries or affiliates;
 - (ii) officers of the Corporation or any of its subsidiaries or affiliates;
 - (iii) employees of the Corporation or any of its subsidiaries or affiliates, including Management Company Employees, (as defined in TSXV Policies); and
 - (iv) consultants retained by the Corporation or any of its subsidiaries or affiliates, provided such consultants have performed and/or continue to perform services for the Corporation or any of its subsidiaries or affiliates on an ongoing basis or are expected to provide a service of value to the Corporation or any of its subsidiaries or affiliates, including, if applicable, Consultant Companies (as defined in TSXV policies);

(any such person having been selected for participation in this Plan by the Board is herein referred to as a "**Participant**").

- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the Shareholders of the Corporation if the rules of any stock exchange on which the Common Shares are listed require such approval.
- (c) Options will not be granted to an officer, employee or consultant of the Corporation, unless such Participant is a bona fide officer, employee or consultant of the Corporation.

7. **Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Common Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Common Shares are then listed. The exercise price of an Option must be paid in cash. Disinterested Shareholder approval shall be obtained by the Corporation prior to any reduction to the exercise price of a previously granted option if the affected Participant is an Insider (as defined in the *Securities Act* (Alberta)) of the Corporation at the time of the proposed amendment.

8. **Number of Optioned Common Shares**

The number of Common Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that:

- (a) the aggregate number of Common Shares reserved for issuance under this Plan, together with any other security based compensation arrangement of the Corporation, shall not, at the time of grant, exceed 10% of the aggregate number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis) unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold;
- (b) no more than 5% of the issued and outstanding Common Shares of the Corporation may be granted to any one Participant in any 12 month period (unless the Corporation has obtained disinterested Shareholder approval);
- (c) no more than 2% of the issued and outstanding Common Shares of the Corporation may be granted to any one consultant in any 12 month period;
- (d) no more than an aggregate of 2% of the issued and outstanding Common Shares of the Corporation may be granted to employees conducting investor relations activities in any 12 month period; and
- (e) the Corporation obtain disinterested Shareholder approval where, together with all of the Corporation's previously established and outstanding stock option plans or grants, (i) the number of Common Shares reserved for issuance under stock options granted to Insiders exceeds 10% of the issued and outstanding Common Shares; (ii) the grant to Insiders, within a 12 month period, of a number of Options exceeds 10% of the issued and outstanding Common Shares; or (iii) the issuance to any one Participant, within a 12 month period, of a number of Common Shares exceeds 5% of the issued and outstanding Common Shares.

9. Term

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted, and subject to Sections 11, 12 and 16 below, provided that:

- (a) no Option shall be exercisable for a period exceeding 5 years from the date the Option is granted unless the Corporation receives the permission of the stock exchange or exchanges, if required, on which the Common Shares are then listed and as specifically provided by the Board, and in any event, no Option shall be exercisable for a period exceeding 10 years from the date the Option is granted;
- (b) no Option in respect of which Shareholder approval is required under the rules of any stock exchange or exchanges on which the Common Shares are then listed shall be exercisable until such time as the Option has been approved by the Shareholders of the Corporation;
- (c) the Board may, subject to the receipt of any necessary regulatory or stock exchange approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part;
- (d) any Options granted to any Participant must expire within 90 days after the Participant ceases to be a Participant, and within 30 days for any Participant engaged in investor relation activities after such Participant ceases to be employed to provide investor relation activities; and
- (e) 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. For the purposes of this paragraph, "**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 on trading that is in effect at that time.

10. Method of Exercise of Option

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or the Participant's legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Calgary, Alberta:

- (i) a written notice expressing the intention of such Participant (or the Participant's legal, personal representative) to exercise the Participant's Option and specifying the number of Common Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Common Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the relevant Participant (or the Participant's legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Common Shares as the Participant (or the Participant's legal, personal representative) shall have then paid for.

11. Ceasing to be a Director, Officer, Employee or Consultant

Subject to any written agreement between the Corporation and a Participant providing otherwise and subject to the Option Period, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates for any reason other than death or permanent disability of the Participant, the Option granted to the Participant will terminate at 5:00 p.m. (Calgary time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation or, as the case may be, ceases to actively perform services for the Corporation. An Option granted to a Participant who performs investor relations services on behalf of the Corporation shall terminate on the date of termination of the employment or cessation of services being provided and shall be subject to any exchange policies and procedures for the termination of Options for investor relations services. For greater certainty, the termination of any Options held by the Participant, and the period during which the Participant may exercise any Options, shall be without regard to any notice period arising from the Participant's ceasing to hold the position or positions of director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall (i) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be.

12. Death and Permanent Disability of a Participant

Subject to any written agreement between the Corporation and a Participant providing otherwise and subject to the Option Period, in the event of the death or permanent disability of a Participant, any Option previously granted to the Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant, whichever is earlier, 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 applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.

13. **Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a Shareholder of the Corporation in respect of any Common Shares issuable upon exercise of such Option until such Common Shares have been paid for in full and issued to such person.

14. **Proceeds from Exercise of Options**

The proceeds from any sale of Common 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 and direct.

15. **Adjustments**

- (a) The number of Common Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Common Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Common Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- (b) Adjustments under this Section 15 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 Common Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

16. **Change of Control**

Notwithstanding anything else contained herein, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, the Board may in its sole discretion accelerate a Participant's right to exercise his Options, in whole or in part, either during the term of the Option or within 90 days after the date of sale or change of control, whichever first occurs. Additionally, notwithstanding anything else contained herein, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, the Board may in its sole discretion permit a Participant to surrender his or her Option in exchange for a payment by the Corporation of a cash amount per Optioned Share equal to the difference between the exercise price of the Option and the closing price of the Common Shares on the stock exchange on which the Common Shares are then listed (assuming such closing price of the Common Shares on the stock exchange is greater than the Exercise Price).

For the purpose of this Plan "change of control" of the Corporation means and shall be deemed to have occurred if and when:

- (a) the acceptance by the holders of Common Shares of the Corporation, representing in the aggregate more than 40% of the number of Common Shares then issued and outstanding, of any offer, whether by way of a takeover bid or otherwise, for all or any of the Common Shares of the Corporation; or
- (b) the acquisition, by whatever means (including, without limitation, amalgamation, arrangement, consolidation or merger), by a person (or two or more persons who in such

acquisition have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of the beneficial ownership of such number of Common Shares or rights to Common Shares of the Corporation, which together with such person's then owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 40% of the combined voting rights of the Corporation's then outstanding Common Shares, inclusive of the Common Shares that would be outstanding on the full exercise of all rights to Common Shares; or

- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or Shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement as that which existed prior to the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the Shareholders of the Corporation involving a contest, for or an item of business relating to the election of directors shall not constitute a majority of the Board following such election.

17. **Transferability**

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.

18. **Amendment and Termination of Plan**

The Board may, at any time, suspend or terminate this Plan. The Board may also at any time amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals provided that no such amendment or revision shall alter the terms of any Options previously granted under this Plan.

19. **Necessary Approvals**

The obligation of the Corporation to issue and deliver Common Shares in accordance with this Plan and options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Common Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Common Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

20. **Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Common Shares are listed.

21. Right to Issue Other Common Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

22. Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Calgary, Alberta, Attention: The President; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

23. Interpretation

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

EXHIBIT "A"

Without prior written approval of the TSX Venture Exchange Inc. and in compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange Inc. or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date that is four months and one day after the date of grant of the option].

OPTION AGREEMENT

This Agreement dated the ● day of ●, 201●,

BETWEEN:

MARKSMAN ENERGY INC., a corporation
incorporated under the laws of the Province of
Alberta (hereinafter called the "**Corporation**"),

- and -

●, of the City of Calgary, in the Province of
Alberta (hereinafter called the "**Participant**")

WHEREAS the Participant is a director, officer, employee of, or consultant retained by, the Corporation or any of its subsidiaries or affiliates and has been designated by the Corporation as eligible to participate in the Corporation's Stock Option Plan (the "**Plan**");

AND WHEREAS the Corporation desires to grant to the Participant an option to purchase common shares of the Corporation (the "**Common Shares**") in accordance with the terms of the Plan;

NOW THEREFORE THIS AGREEMENT WITNESSES that the parties hereto agree as follows:

1. The Corporation hereby grants to the Participant an irrevocable option (the "**Option**") to purchase all or any part of ● Common Shares at a price of \$● per share, subject to the terms and conditions set forth herein.
2. Subject to the specific provisions of the Plan regarding blackout periods, the Option expires and terminates at 5:00 p.m. (Calgary time) on the day (the "**Expiry Date**") that is the earlier of (i) the 5th anniversary of the date hereof and (ii) the dates determined by Sections 6 and 7 below.
3. Subject to the more specific provisions of the Plan, the Common Shares optioned under this Agreement shall vest ● [**To be determined at the discretion of the Board of Directors.**]
4. Except as provided in Sections 6 and 7 below, the Option may only be exercised while the Participant is a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates. The Participant (or the Participant's legal or personal representative) may exercise the Option by delivering to the Corporation, at its principal office in Calgary, Alberta:
 - (a) a written notice expressing the intention to exercise the Option and specifying the number of Common Shares in respect of which the Option is exercised;
 - (b) unless otherwise permitted by the Plan, a cash payment, cheque or bank draft, representing the full purchase price of the Common Shares in respect of which the Option is exercised; and

- (c) in the event that the Option is exercised in accordance with this Agreement by persons other than the Participant, proof satisfactory to the Corporation of the right of such persons to exercise the Option.
5. Upon the exercise of the Option as aforesaid, the Corporation shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the Participant (or the Participant's legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Common Shares as the Participant (or the Participant's legal, personal representative) shall have then paid for.
6. If the Participant shall cease to be a director, officer, employee or consultant of the Corporation for any reason other than death or permanent disability, the Option granted herein shall expire and terminate at 5:00 p.m. (Calgary time) on the day that is the earlier of the (i) 90th day after the date the Participant ceases to be a director, officer or employee of the Corporation and (ii) the 5th anniversary of the date hereof.
7. In the event of the death or permanent disability of the Participant, the Option shall be exercisable until 5:00 p.m. (Calgary time) on the day that is the earlier of (i) 12 months after the date of death or permanent disability of the Participant and (ii) the 5th anniversary of the date hereof, 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 applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.
8. The Participant acknowledges and agrees that neither the selection of the Participant as a Participant under the Plan nor the granting of the Option hereunder shall: (i) confer upon the Participant any right to continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be, or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation or any of its subsidiaries or affiliates, as the case may be. The Participant further acknowledges and agrees that this Agreement and the Option granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the Corporation in the event of the termination of the employment of the Participant with the Corporation or any of its subsidiaries or affiliates for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the Corporation from all claims and rights of action for damages whatsoever based upon or arising out of this Agreement and the Option.
9. The Participant shall not have any of the rights or privileges of a Shareholder of the Corporation in respect of any Common Shares issuable upon exercise of the Option until such Common Shares have been paid for in full and issued to the Participant.
10. The number of Common Shares deliverable upon the exercise of the Option shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Common Shares of the Corporation prior to the Expiry Date, without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Common Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Option and to prevent its dilution or enlargement. Adjustments under this Section 10 shall be made by the Board of Directors of the Corporation (or by such committee or persons as may be delegated such authority pursuant to the Plan), whose

determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Common Shares shall be issued on any such adjustment.

- 11. The Option and all benefits and rights accruing to the Participant hereunder shall not be transferrable or assignable unless specifically provided herein. During the lifetime of the Participant the Option granted hereunder may only be exercised by the Participant as herein provided and in the event of the death of the Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law.
- 12. The Participant acknowledges and agrees that the Board may, at any time, suspend or terminate the Plan. The Board may also at any time amend or revise the terms of the Plan, provided that no such amendment or revision shall alter the terms of the Option granted herein.
- 13. The obligation of the Corporation to issue and deliver Common Shares on the exercise of the Option in accordance with the terms and conditions of this Agreement is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Common Shares cannot be issued to the Participant upon the exercise of the Option for any reason whatsoever, the obligation of the Corporation to issue such Common Shares shall terminate and any funds paid to the Corporation in connection with the exercise of the Option will be returned to the Participant as soon as practicable.
- 14. The Corporation and the Participant agree that if at any time in the future the Participant is offered the right to receive a payment of all or any part of the "in the money" value of the Options in lieu of exercising them (which offer the Participant accepts), then the Corporation agrees that it shall file in a timely manner an election with the Canada Revenue Agency that neither the Corporation nor any person with whom the Corporation does not deal at arm's length shall deduct any amount in respect of such payment made to the Participant and the Corporation agrees that it shall forthwith deliver a copy of such election to the Participant.
- 15. The Participant acknowledges to have read and understood the Plan and the Participant and the Corporation agree that all provisions thereof apply to the parties hereto and to this Agreement with the same effect as if such provisions were set out in this Agreement.
- 16. Time shall be of the essence of this Agreement.
- 17. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

MARKSMEN ENERGY INC.

Per: _____

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness

_____ ●

EXHIBIT II

THIS IS EXHIBIT I ATTACHED TO AND MADE PART OF THE INFORMATION CIRCULAR IN CONNECTION WITH THE ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF MARKSMEN ENERGY INC. TO BE HELD ON DECEMBER 11, 2019.

MARKSMEN ENERGY INC.

AUDIT COMMITTEE CHARTER

I. Mandate

The primary function of the audit committee (the "**Audit Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

II. Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSXV.

At least one member of the Audit Committee shall have accounting or related financial management expertise. It is the goal of the Corporation that all members of the Committee are financially literate. All members of the Audit Committee that are not financially literate are expected to work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

III. Meetings

The Audit Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with management and the external auditors in separate sessions.

IV. Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

1. Require the external auditors to report directly to the Audit Committee.
2. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Corporation.
3. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.
4. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
5. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
6. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
7. Review with management and the external auditors the terms of the external auditors' engagement letter.
8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
- (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (c) such services are promptly brought to the attention of the Audit Committee by the Corporation and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee.

Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
6. Review any significant disagreement among management and the external auditors regarding financial reporting.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review certification process.
9. 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.

Other

1. Review any related-party transactions.

V. Authority

The Committee may:

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

The Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.