



Notice of Meeting of Shareholders

and

Proxy Statement and Information Circular

in respect of the

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on May 24, 2017

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ADDENDUM

SCHEDULE “A” MANDATE OF THE BOARD OF DIRECTORS

JOURNEY ENERGY INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on May 24, 2017

TO THE SHAREHOLDERS OF JOURNEY ENERGY INC.

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Journey Energy Inc. (the “**Corporation**”) will be held at the offices of Journey Energy Inc., 700, 517 – 10th Avenue, S.W., Calgary, Alberta T2R 0A8 at 3:00 p.m. (Calgary time) on May 24, 2017, for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2016 and the auditor’s report thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at seven (7);
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
5. to approve all unallocated options to acquire Common Shares pursuant to the Corporation’s stock option plan dated June 4, 2014;
6. to approve all unallocated awards to acquire Common Shares pursuant to the Corporation’s restricted bonus award incentive plan dated June 4, 2014; and
7. for the Shareholders to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof as ordinary business.

Shareholders should refer to the accompanying Proxy Statement and Information Circular dated April 7, 2017 for more detailed information with respect to the Corporation and the matters to be considered at the Meeting.

If you are a registered Shareholder and are unable to attend the Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, the Corporation’s transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with our transfer agent, Computershare Trust Company of Canada, as follows: (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. You may also vote using the internet at www.investorvote.com or telephone at 1-866-732-VOTE (8683) using the 15-digit control number found on your proxy form. If you vote through the internet, you may also appoint another person to be your proxyholder. Your proxy or voting instructions must be received in each case no later than 48 hours (excluding weekends and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof or may be deposited with the Chairman of the Meeting prior to its commencement.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or applicable voting information form in accordance with the instructions provided to you by your broker or other intermediary with respect to the procedures to be followed for voting at the Meeting.

The board of directors of the Corporation has fixed April 13, 2017 as the record date for the Meeting. Only Shareholders of record at the close of business on April 13, 2017 are entitled to notice of the Meeting and to attend and vote thereat or at any adjournment(s) thereof on the basis of one vote for each Common Share held, except to

the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares, subsequent to the record date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*Alex G. Verge*”

Alex G. Verge
President and Chief Executive Officer and Director

April 7, 2017

JOURNEY ENERGY INC.

PROXY STATEMENT AND INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 24, 2017

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Proxy Statement and Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Journey Energy Inc. (“Journey” or the “Corporation”) for use at the annual and special meeting (the “Meeting”) of the holders (the “Shareholders”) of common shares (the “Common Shares”) of Journey to be held at 700, 517 – 10th Avenue, S.W., Calgary, Alberta T2R 0A8 at 3:00 p.m. (Calgary time) on May 24, 2017, and at any adjournments thereof, for the purposes set forth in the Notice of Meeting of Shareholders (the “Notice of Meeting”) accompanying this Circular. Information contained herein is given as of April 7, 2017, unless otherwise specifically stated.

The Board of Directors (as defined herein) has fixed April 13, 2017 as the record date for the Meeting. Only Shareholders of record at the close of business on April 13, 2017 are entitled to notice of the Meeting and to attend and vote thereat or at any adjournment(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares, subsequent to the record date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of Journey who will not be additionally compensated in respect thereof. The costs incurred in connection with the preparation and mailing of this Circular and of soliciting proxies will be borne by Journey.

Journey is not sending proxy related materials to registered or beneficial Shareholders using the notice and access provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”). Journey is not sending proxy-related materials directly to non-objecting beneficial owners (as described in NI 54-101) of Common Shares (“NOBOs”) and such materials will be delivered to NOBOs through intermediaries under the procedures set out in NI 54-101. Journey will pay for intermediaries to deliver to objecting beneficial owners (as described in NI 54-101) of Common Shares (“OBOs”) as set out in NI 54-101, this Circular and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

Appointment of Proxyholders

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or executive officers of Journey. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of his or her chosen nominee in the space provided for that purpose on the form and by striking out the printed names.**

Registered Shareholder Voting Information

You are a registered Shareholder (a “Registered Shareholder”) if you hold Common Shares: (a) in your own name and you have a share certificate; or (b) through the direct registration system of Computershare Trust Company of Canada (the “Transfer Agent”). As a Registered Shareholder, you are identified on the share register maintained by the Transfer Agent as being a Shareholder.

Registered Shareholders who are eligible to vote can vote their Common Shares either in person at the Meeting or by proxy. If you are a Registered Shareholder who wishes to vote by proxy please complete and sign the enclosed form of proxy and deliver it to the Transfer Agent, as follows: (i) by mail using the enclosed return envelope or one

addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. You may also vote using the internet at www.investorvote.com or telephone at 1-866-732-VOTE(8683) using the 15-digit control number found on your proxy form. If you vote through the Internet, you may also appoint another person to be your proxyholder. Your proxy or voting instructions must be received in each case no later than 48 hours (excluding weekends and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof or may be deposited with the Chairman of the Meeting prior to its commencement.

Beneficial Holder Voting Information

You are a beneficial Shareholder (a “**Beneficial Shareholder**”) if you beneficially own Common Shares that are held in the name of an intermediary such as a bank, trust company, securities dealer or broker and trustee or administrator of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plan or other intermediary (each an “**Intermediary**”).

In many cases, Common Shares owned by a Beneficial Shareholder are registered either (i) in the name of an Intermediary that the Beneficial Shareholder deals with, or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. Common Shares registered in the names of Intermediaries can only be voted by those Intermediaries at the direction of the Beneficial Shareholders who beneficially own the shares. Without specific instructions, Intermediaries are prohibited from voting shares for an Intermediary’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

In accordance with the requirements of NI 54-101, Journey has elected to distribute copies of the Notice of Meeting and this Circular (collectively, the “**Meeting Materials**”) indirectly through intermediaries to the NOBOs and OBOs. The intermediaries/brokers (or their service companies) are responsible for forwarding the Meeting Materials to the NOBOs and OBOs.

Intermediaries are required to forward the Meeting Materials to NOBOs and OBOs, except for NOBOs and OBOs that have waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Shareholders. Generally, Beneficial Shareholders who have not waived the right to receive the Meeting Materials will either:

1. be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Beneficial Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Beneficial Shareholder when submitting the proxy. In this case, the Beneficial Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the Transfer Agent as set out above; or
2. more typically, be given a form (often called a “**voting information form**”) which, when properly completed and signed by the Beneficial Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

Employees of the Corporation are eligible to participate in an employee share ownership plan (the “**ESOP**”) under which Common Shares are purchased and held on their behalf by the trustee of the assets under the ESOP. Participants of the ESOP will receive the Meeting Materials together with a voting information form from the trustee and may exercise voting rights in accordance with the instructions provided on the voting information form. For additional information about the Corporation’s ESOP, see “*Executive Compensation – Incentive Plan Awards – Employee Share Ownership Plan*” below.

In any event, the procedures described above for Beneficial Shareholders are intended to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Beneficial Shareholder who receives either a form of proxy or voting information form wish to vote at the Meeting in person, the Beneficial Shareholder should strike out the persons named in the form of proxy or voting information form and

insert the Beneficial Shareholder's name in the blank space provided. **Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy or voting information form is to be delivered.**

Revocation of Proxies

A registered Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof, and deposited at the registered office of the Corporation at any time before 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Beneficial Shareholders should contact their Intermediary for instructions on how to revoke their voting instructions. Only Registered Shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, well in advance of the Meeting, arrange for its Intermediary to revoke a deposited instruction request or proxy on its behalf.

Voting of Proxies

All Common Shares represented at the Meeting by properly executed proxies will be voted in accordance with the instructions of the Shareholder on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the relevant resolution. **In the absence of any instruction, the persons whose names appear on the printed form of proxy will exercise such person's discretion as to whether, and if so how, such person votes. The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other ordinary business or amendments or variations to matters identified in the Notice of Meeting properly come before the Meeting then discretionary authority is conferred upon the person appointed in the proxy as to whether and, if so how, to vote.**

As at the date hereof, the management of Journey knew of no such other ordinary business, amendment or variation to matters identified in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at April 7, 2017, the Corporation's issued and outstanding shares with voting rights consist of 48,653,399 Common Shares. Shareholders of record at the close of business on April 7, 2017 are entitled to receive notice of the Meeting and to attend and vote thereat or at any adjournment(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares, subsequent to the record date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting.

When any Common Share is held jointly by two or more persons, any one of them may vote at the Meeting in person or by proxy in respect of such Common Share, but if more than one of them shall be present at the Meeting in person or by proxy they shall vote as one on the Common Share jointly held by them.

Principal Holders of Voting Securities

To the knowledge of the directors and executive officers of Journey, as of the date hereof, no person, firm or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to any class of outstanding voting securities of Journey, except as follows:

Shareholder Name	Number of Common Shares Held	Percentage of Issued Common Shares
MIE Maple Investments Ltd.	16,355,798	33.6%
Infra-PSP Partners Inc.	5,432,308	11.2%
Alberta Investment Management Corporation	4,950,000	10.2%

Holdings of Directors and Executive Officers

As of the date hereof, the directors and executive officers of Journey, as a group, beneficially own, directly or indirectly, 3,971,899 Common Shares, representing approximately 8.2% of the issued and outstanding Common Shares. As of the date hereof, no proposed director or his associates or affiliates, beneficially owned, controlled or directed, directly or indirectly, securities carrying more than 10% of the voting rights attached to all voting securities of Journey.

QUORUM FOR MEETING

A quorum of Shareholders will be present for the transaction of business at the Meeting if two persons are present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy for an absent Shareholder so entitled, and holding or representing by proxy in the aggregate not less than 25% of the outstanding shares of the Corporation carrying voting rights at the Meeting. If a quorum of Shareholders is not present at the opening of the Meeting, the Shareholders present or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business.

APPROVAL REQUIREMENTS

The specific resolutions that Shareholders will be asked to approve at the Meeting include resolutions regarding the election of the directors of the Corporation, the appointment of the auditor of the Corporation, the approval of all unallocated options to acquire Common Shares pursuant to the Corporation's stock option plan dated June 4, 2014 and the approval of all unallocated awards to acquire Common Shares pursuant to the Corporation's restricted bonus award incentive plan dated June 4, 2014. In order to be effective, the foregoing resolutions require the approval of more than 50% of the votes cast in respect of those resolutions by or on behalf of Shareholders present in person or by proxy at the Meeting.

GLOSSARY

In this Circular, unless otherwise indicated or the context otherwise requires, the following terms have the meaning set forth below:

ABCA means the *Business Corporations Act* (Alberta), R.S.A. 2000, c.B-9, as amended, including the regulations promulgated thereunder.

Applicable Securities Laws means all applicable securities laws, the respective regulations, rules and orders made thereunder, and all applicable policies and notices issued by the securities regulatory authorities in Canada.

Audit Committee means the audit committee of the Board.

Award means a bonus award granted under the Award Plan, including a Restricted Award or a Performance Award.

Award Plan means the restricted bonus plan of the Corporation, effective June 4, 2014.

Board or **Board of Directors** means the board of directors of the Corporation.

Circular means this proxy statement and information circular dated April 17, 2017.

CEO means the Chief Executive Officer of the Corporation.

CFO means the Chief Financial Officer of the Corporation.

Common Shares means the common shares in the capital of the Corporation as constituted on the date hereof.

COO means the Chief Operating Officer of the Corporation.

Corporation or **Journey** means Journey Energy Inc.

ESOP means the employee share ownership plan of the Corporation.

Governance & Compensation Committee means the corporate governance & compensation committee of the Board.

IPO means the initial public offering of 16,500,000 Common Shares at \$12.00 per Common Share for aggregate gross proceeds of \$198,000,000 on June 19, 2014.

Meeting means the annual and special meeting of the Shareholders of Journey scheduled for May 24, 2017.

MIEH means MIE Holdings Corporation.

Named Executive Officers or **NEOs** means the CEO, the CFO, and each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, who served as an executive officer in the most recently completed financial year and whose total salary and bonus exceeded \$150,000.

NI 51-102 means National Instrument 51-102 - *Continuous Disclosure Obligations*.

NI 58-101 means National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

Notice of Meeting means the notice of meeting accompanying the Circular.

Option means an option to purchase a Common Share granted under the Option Plan.

Option Plan means the amended and restated share option plan of the Corporation, effective June 4, 2014.

Performance Award means a performance award granted under the Award Plan.

Performance Warrants means the performance warrants issued to employees in 2012, 2013 and 2014 and comprised of three series, A, B and C. Each whole Performance Warrant is exchangeable into one Common Share upon the payment of the respective strike price. Series A has a strike price of \$6.00 per Performance Warrant (unless otherwise determined by the Board), Series B has a \$7.00 strike price per Performance Warrant (unless otherwise determined by the Board) and Series C has strikes prices of \$8.50 and \$12.00 (unless otherwise determined by the Board) per Performance Warrant depending on their issue dates. One-third of the Series A and Series B Performance Warrants vest on the attainment of a market price (if available) or the raising of capital at prices of \$10.00, \$11.00 and \$12.00 per Common Share. The Series C Performance Warrants vest at prices of \$12.00, \$13.00 and \$14.00 per Common Share along with time vesting in equal increments over three years. See “*Executive Compensation – Compensation Discussion and Analysis - Components of Compensation Plan – Performance Warrants*”.

Reorganization means the corporate and operational reorganization of Sword on July 1, 2012 pursuant to which (among other things) Sword amalgamated with several of its subsidiaries and then Sword amalgamated with 1317139 Alberta Ltd., and the resulting entity amended its articles to change its name to “Journey Energy Inc.”

Reserves Committee means the reserves committee of the Board.

Restricted Award means a restricted award granted under the Award Plan.

Restricted Voting Shares means the restricted voting shares in the capital of the Corporation, of which there are none issued and outstanding on the date hereof.

SEDAR means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

Sword means Sword Energy Inc.

TSX means the Toronto Stock Exchange.

BUSINESS OF THE MEETING

Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2016 together with the auditor's reports thereon (collectively, the "**Financial Statements**") will be received at the Meeting. The Financial Statements were provided to each Shareholder entitled to receive a copy of the Notice of Meeting and the Circular.

Fixing the Number of Directors

The Corporation's articles authorize a minimum of one (1) and a maximum of seven (7) directors. There are presently seven (7) directors. It is proposed that the number of directors to be elected to the Board of Directors at the Meeting be seven (7), as may be adjusted between Shareholder meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favor of fixing the number of directors to be elected at the Meeting at seven (7). **The Board unanimously recommends that the Common Shareholders vote FOR fixing the number of directors to be elected at the Meeting at seven (7). Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying form of proxy will vote FOR fixing the number of directors to be elected at the Meeting at seven (7).**

Election of Directors

The Board currently consists of seven (7) directors, Messrs. Verge, Mulherin, Crone, Laustsen, Wettstein, Zhang and Harper, the terms of office of each of which will expire immediately prior to the Meeting or any adjournment thereof. Six (6) of the current directors, Messrs. Verge, Mulherin, Crone, Laustsen, Zhang and Harper, will be standing for re-election at the Meeting. Mr. Wettstein is retiring from the Board at the end of his current term and Mr. Shay is the new director nominee that is being put forward for election at the meeting.

Shareholders will vote for each proposed director individually as opposed to voting for the directors as a slate. In addition, the Corporation has adopted a majority voting policy, which requires that any nominee for director who receives a greater number of votes "withheld" than "for" his or her election shall promptly tender his or her resignation to the Chairman of the Board following the meeting. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected, and does not apply where an election involves a proxy battle. The Governance & Compensation Committee shall consider the offer of resignation and recommend to the Board whether or not it should be accepted. In doing so, the Governance & Compensation Committee may consider any stated reasons as to why shareholders "withheld" votes from the election of the relevant director, the length of service and the qualifications of the director, the director's contributions to the Corporation, the effect such resignation may have on the Corporation's ability to comply with any applicable governance rules and policies, the dynamics of the Board, and any other factors that the members of the Governance & Compensation Committee consider relevant. The Board shall act on the Governance & Compensation Committee's recommendation within 90 days following the applicable shareholders meeting and announce its decision through a press release, a copy of which will be concurrently delivered to the TSX, after considering the factors identified by the Governance & Compensation Committee and any other factors that the members of the Board consider relevant. With the exception of special circumstances that would warrant the continued service of the applicable director on the Board, the Board shall be expected to accept the resignation by the director. The resignation of the director will be effective when accepted by the Board. If a resignation is accepted, the Board may appoint a new director to fill the vacancy created by the resignation.

The seven (7) persons listed in the table below are the nominees proposed by the Corporation for election to the Board to serve until the earliest of their resignation; the next annual shareholder meeting called for the election of directors, or on such other date as they may be removed according to the ABCA. **The Board unanimously recommends that the Shareholders vote FOR electing each of the nominees listed below as a director of the Corporation. Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying form of proxy will vote FOR electing each of the nominees listed below as a director of the Corporation.** If, for any reason, any of the proposed nominees does not stand for election or is unable to serve as such, the persons named in the accompanying form of proxy reserve the right to vote for any other

nominee in their sole discretion unless the Shareholder has specified therein that its Common Shares are to be withheld from voting on the election of directors.

Name, Province and Country of Residence	Position Held	Principal Occupation for the Last Five Years	Director Since	Common Share Ownership⁽⁶⁾⁽⁷⁾
Alex G. Verge Alberta, Canada	President, Chief Executive Officer and Director	President, Chief Executive Officer and Director of Journey since July 1, 2012. Prior thereto, Mr. Verge acted as director of Sword Energy Inc., the predecessor to Journey Energy Inc., and previous to that was the President and Chief Executive Officer of NuVista Energy Ltd. from July 2003 to November 2010.	July 1, 2012 ⁽²⁾	2,920,900
Stephen W.C. Mulherin ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Alberta, Canada	Director (Chairman)	Chairman of Veresen Inc.; Partner at Polar Asset Management Partners (formerly Polar Capital Corporation); director of Trimac Transportation Ltd.	May 2, 2014	77,770
Howard Crone ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Alberta, Canada	Director	Director of Cequence Energy Ltd. Executive Vice President and Chief Operating Officer of Cequence Energy Ltd. from September 2010 to August 14, 2014. Prior thereto, Mr. Crone was the President and Chief Executive Officer of Cequence Energy Ltd. from July 2009 to September 2010.	May 2, 2014	230,116
Dana B. Laustsen ⁽¹⁾⁽⁵⁾ Alberta, Canada	Director	Independent businessman. Prior thereto, Mr. Laustsen was Executive Vice President and Chief Operating Officer of GLJ Petroleum Consultants Ltd. until he retired in September of 2011.	January 16, 2014	17,263
Ruilin Zhang ⁽⁵⁾ Hong Kong, China	Director	Executive director, chairman and chief executive officer of MIEH since March 2008	November 7, 2016	NIL
Andrew S. Harper ⁽⁵⁾ Florida, USA	Director	Executive director of MIEH since July 2013; prior thereto MIEH's chief geologist since April 2010.	November 7, 2016	NIL
Ryan Shay ⁽³⁾⁽⁴⁾⁽⁵⁾ Alberta, Canada	Proposed Director	Independent businessman. Prior thereto, Mr. Shay was Managing Director, Head of Investment Banking at Cormark Securities until he retired in June of 2016. Mr. Shay was with Cormark since 1999.	N/A	NIL

Notes:

- (1) Member of the Reserves Committee. Mr. Laustsen is the Chairman of the Reserves Committee.
- (2) Was also a director of Sword, the predecessor to Journey, prior to the Reorganization.
- (3) Member of the Audit Committee. Mr. Wettstein is the Chairman of the Audit Committee until his resignation effective May 24, 2017, at which time Mr. Shay shall be the Chairman of the Audit Committee (if elected).
- (4) Member of the Governance & Compensation Committee. Mr. Mulherin is the Chairman of the Governance & Compensation Committee.
- (5) Independent director.
- (6) Represents Common Shares beneficially owned, controlled or directed (directly or indirectly) by the director as of the date hereof based on information provided by such individuals.
- (7) Does not include Options, Performance Warrants or Awards held by these individuals and/or their spouses and holding companies.

Biographies of Proposed Directors

Alex G. Verge – President and Chief Executive Officer and Director

Alex G. Verge serves as the President and CEO of Journey. Mr. Verge has more than 30 years of experience in the oil and gas industry and has served as director and Chief Executive Officer and President of NuVista Energy Ltd. from July 2003 to November 2010 and served as a Vice President of Engineering of Bonavista Energy Corporation and Bonavista Energy Trust (formerly Bonavista Petroleum Ltd.) from January 1998 to June 2003. Prior to joining Bonavista Petroleum Ltd., he worked in the business development group at Poco Petroleums Ltd. and held various engineering positions at Rising Resources, Shell Canada Resources Limited, and Gulf Canada Resources Inc. Mr. Verge is a Member of the Association of Professional Engineers, Geologists & Geophysicists of Alberta. Mr. Verge received a Bachelor of Science degree in Chemical Engineering from the University of Toronto and a Masters of Engineering degree in Chemical and Petroleum Engineering from the University of Calgary.

Stephen W.C. Mulherin – Director (Chairman)

Mr. Mulherin has been a partner at Polar Asset Management Partners (formerly Polar Capital Company) since 1997. Mr. Mulherin has experience as both an operator and private equity investor. Mr. Mulherin has been Chairman of Veresen Inc. since May 12, 2011 and has been a director since October 9, 1997. He has been a director of Trimac Transportation Ltd. since March 15, 2013. Mr. Mulherin also served on several other public and private boards in various capacities. Mr. Mulherin received his Bachelor of Arts degree from Queen's University and is a graduate of the executive management program at Stanford University's Graduate School of Business.

Howard Crone – Director

Mr. Crone was the Executive Vice President, COO of Cequence Energy Ltd from September, 2010 to August of 2014 and is currently a Director. Prior thereto, Mr. Crone was the President and CEO of Cequence Energy Ltd. from July 2009 to September 2010. From May 2009 to July 2009, Mr. Crone was President of a privately held oil and gas company. Prior thereto, from July 2004 to May 2009, Mr. Crone was an independent businessman. Prior thereto, from August 2003 to June 2004, Mr. Crone was the Vice-President and COO of Cequel Energy Inc., a public oil and gas company. Mr. Crone has been a director of numerous public companies during the past 10 years. Mr. Crone has a Bachelor of Science in Chemical Engineering from the University of Alberta and is also a member of the Association of Professional Engineers and Geoscientists of Alberta.

Dana B. Laustsen – Director

Dana Laustsen served as Executive Vice President and Chief Operating Officer of GLJ until he retired therefrom in September of 2011. Mr. Laustsen joined GLJ in 1982 and he later became a principal officer of GLJ in 1994. Mr. Laustsen was employed by Texaco Canada Resources Ltd. for five years where he received his training in petroleum production and reservoir engineering. Mr. Laustsen's background includes detailed reservoir analyses of primary and enhanced recovery projects, SAGD evaluations, ultimate potential studies, merger and acquisition evaluations, fair market value appraisals and expert witness testimony. Mr. Laustsen has co-authored the water flood section of the Petroleum Society of CIMs Monograph, Determination of Oil and Gas Reserves (Monograph No. 1) and is an author of the Canadian Oil and Gas Evaluation Handbook (COGEH) Volume 2 sections on decline analysis and EOR reserve booking guidelines. He has also published articles in the Journal of Canadian Petroleum Technology on decline analysis. Mr. Laustsen graduated from the University of Calgary in 1977 with a Bachelor of Science (Honors) in engineering and is a life member of the Association of Professional Engineers and Geoscientists of Alberta.

Ruilin Zhang – Director

Ruilin Zhang is currently the Executive Director, Chairman and Chief Executive Officer of MIEH. Mr. Zhang is the founder and Chief Executive Officer of Far East Energy Ltd., Chairman and general manager of Jilin San Huan Petrochemical Co. Mr. Zhang has more than 20 years of experience in the oil and gas business, during which he acquired his experience as an oilfield worker and technician for PetroChina and as the chairman and general manager at a local oilfield services company, Jilin San Huan Petrochemical Co., Ltd. In May 2003, he founded Far East Energy Limited in Hong Kong, through which he acquired MI Energy Company from Microbes Inc. Following the takeover of MIEH by FEEL in August 2003, Mr. Zhang joined MIEH in September 2003 and has since been a director of the company. He is primarily responsible for overseeing our overall strategies, planning and day-to-day management and operations. Mr. Zhang graduated from Jilin Petroleum College in 1995.

Andrew S. Harper – Director

Mr. Harper has been the executive director of MIEH since his appointment on July 19, 2013. Mr. Harper has been MIEH's chief geologist and president of the company's international operations from 2001 to 2008 and rejoined the company in April 2010 as the chief geologist. Mr. Harper is also the chief executive officer and a director of MIE Jurassic Energy Company, overseeing the group's operations in the United States. Mr. Harper has over 35 years of experience in the oil and gas industry, during which he acquired his experience working in the exploration and production team of ARCO International Oil & Gas Company ("ARCO") prior to joining MIEH in 2001. During his time with ARCO, Mr. Harper worked extensively overseas, including assignments in Chile, Dubai, Norway, the United Kingdom and Indonesia, and as ARCO's resident manager in Bogota, Colombia. Mr. Harper also worked as

a basin studies director, Latin America exploration director and exploration project director at the headquarters of ARCO International in the United States from 1990 to 1996 and as an exploration manager at the Andean Basins in ARCO Latin America Inc. from 1999 to 2000. Mr. Harper received a bachelor's degree in Geology from Williams College and a master's degree in Geology from the University of Southern California. Mr. Harper is certified as a Professional Geologist by the Texas Board of Professional Geoscientists and a Certified Petroleum Geologist of American Association of Petroleum Geologists.

Ryan Shay – Proposed Director

Mr. Shay has in excess of 20 years of experience in the oil and gas industry and was Managing Director, Head of Investment Banking at Cormark Securities Inc. until he retired therefrom in June 2016. Mr. Shay was a member of Cormark's Executive Committee, Risk Committee, Capital Markets Committee, Compensation Committee, Compliance Committee and Audit Committee. Mr. Shay joined Cormark in 1999 as an Energy Research Analyst and was promoted to the Executive Committee of the firm in 2000. Mr. Shay transitioned careers from Research to Investment Banking in 2007 and was promoted to Co-Head of Investment Banking in 2010 and Head of Investment Banking in 2013. Mr. Shay began his career in the investment industry with Peters & Co. Limited in 1996, earning his Chartered Financial Analyst designation in 1999 and was formerly with Deloitte & Touche in 1993, earning his Chartered Accountant designation in 1996. Mr. Shay received his Bachelor of Commerce from the University of Saskatchewan and graduated with Great Distinction. Mr. Shay also sits on the National Board of the Juvenile Diabetes Research Foundation ("JDRF") since 2011 and is on JDRF's Audit and Finance Committees.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such proposed directors) is, as of the date of this Circular, or has been within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case 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 (ii) 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.

Bankruptcies

Except as described below, to the knowledge of the Corporation no proposed director of the Corporation (nor any personal holding company of any of such proposed directors): (i) is, as of the date of this Circular, or has been within the ten (10) years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten (10) years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Crone was a director of Virginia Hills Oil Corp. ("**Virginia**") from April 14, 2015 to February 13, 2017. On February 13, 2017 Virginia announced that it had obtained an order from the Court of Queen's Bench of Alberta placing the company into receivership.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such proposed directors) has been subject to: (i) 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 (ii) 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.

Appointment of Auditor

At the Meeting, Shareholders will be asked to appoint PricewaterhouseCoopers LLP (“PwC”) as the auditor of the Corporation until the close of the next annual meeting and to authorize the Board to fix the remuneration to be paid to the auditor of the Corporation. PwC was first appointed as the auditor of the Corporation on February 8, 2011. **The Board unanimously recommends that the Shareholders vote FOR appointing PwC as the auditor of the Corporation and authorizing the Board to fix the remuneration to be paid to PwC. Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying form of proxy will vote FOR appointing PwC as the auditor of the Corporation and authorizing the Board to fix the remuneration to be paid to PwC, as the auditor of the Corporation.**

Approval of Unallocated Entitlements

Option Plan and Award Plan

The Corporation maintains each of the Option Plan and the Award Plan as a continuing form of long-term compensation incentive for directors, officers, employees or other service providers of the Corporation. Please refer to “*Executive Compensation – Incentive Plan Awards – Option Plan*” and “*– Award Plan*” in this Circular for a summary of the material provisions of the Option Plan and the Award Plan, respectively.

As at the date of this Circular, 1,651,054 Options (representing approximately 3.39% of the aggregate issued and outstanding Common Shares as at that date) are currently issued and outstanding under the Option Plan.

As at the date of this Circular, 1,749,725 Awards (representing approximately 3.60% of the aggregate issued and outstanding Common Shares as at that date) are currently issued and outstanding under the Award Plan. Awards may be settled in cash; in Common Shares issued from treasury, in Common Shares acquired by the Corporation on the TSX or a combination of the foregoing.

On a combined basis the maximum allocation for Options and Awards is 4,865,340 Common Shares (representing 10% of the aggregate issued and outstanding Common Shares as at the date of this Circular) and excluding 1,053,328 Options, 708,195 performance warrants and 975,001 share purchase warrants currently outstanding and that were issued prior to the IPO and are excluded from the 10% limitation. On a combined basis, as at the date of this Circular, an aggregate of 3,400,779 Options and Awards are currently issued and outstanding (representing approximately 6.99% of the aggregate issued and outstanding Common Shares as at the date of this Circular). As a result, there are currently 1,464,561 Common Shares unallocated and available for future grants under the Option Plan and the Award Plan, with the allocation between Options and Awards to be determined by the Board.

TSX Requirement for Approval

The TSX requires listed issuers to seek renewal securityholder approval every three years for any unallocated entitlements that are issuable under “reloading” security based compensation arrangements that do not have a fixed maximum number of securities issuable pursuant to its terms. The Option Plan and the Award Plan qualify as reloading security compensation arrangements, such that every three years the Corporation must obtain Shareholder approval of unallocated entitlements under such plans.

The Board has unanimously approved, subject to Shareholder approval, the grant of all unallocated Options and Awards under the Option Plan and the Award Plan.

Shareholder Approval of Unallocated Options

As an item of special business, the Shareholders will be asked at the Meeting to consider and, if thought fit, adopt the resolution set out below. Regardless of whether or not this resolution is passed, all currently outstanding Options will be unaffected. However, if the resolution is not passed, all unallocated Options will be cancelled and the subsequent exercise or cancellation of currently outstanding Options will not automatically reload under the Option Plan and no further Options will be granted under the Option Plan until Shareholder approval is obtained.

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

1. all unallocated Options entitled to be granted pursuant to the Option Plan be approved and are authorized to be issued until May 24, 2020;
2. any one director or officer of the Corporation is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

The above resolution must be approved by a simple majority of votes cast by Shareholders who vote in person or by proxy at the Meeting in respect of this resolution. **The Board unanimously recommends that the Shareholders vote FOR the foregoing resolution. Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying form of proxy will vote FOR the foregoing resolution.**

Shareholder Approval of Unallocated Awards

As a further item of special business, the Shareholders will be asked at the Meeting to consider and, if thought fit, adopt the resolution set out below. Regardless of whether or not this resolution is passed, all currently outstanding Awards will be unaffected. However, if the resolution is not passed, all unallocated Awards will be cancelled and the subsequent exercise or cancellation of currently outstanding Awards will not automatically reload under the Award Plan and no further Awards will be granted under the Award Plan until Shareholder approval is obtained.

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

1. all unallocated Awards entitled to be granted pursuant to the Award Plan be approved and are authorized to be issued until May 24, 2020;
2. any one director or officer of the Corporation is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

The above resolution must be approved by a simple majority of votes cast by Shareholders who vote in person or by proxy at the Meeting in respect of this resolution. **The Board unanimously recommends that the Shareholders vote FOR the foregoing resolution. Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying form of proxy will vote FOR the foregoing resolution.**

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Journey has developed an executive compensation strategy built on offering a competitive compensation package, which is oriented toward developing a culture of ownership by providing long-term, equity-based incentives. This approach is based on the assumption that the Corporation’s share price performance over the long-term is an important indicator of long-term performance. Regularly scheduled annual reviews of compensation are conducted.

Journey’s compensation philosophy is based on the following fundamental principles:

- Compensation programs must be aligned with Shareholder interests by aligning the goals of executives with maximizing long-term Shareholder value.
- Compensation paid to NEOs must be performance sensitive by linking compensation to the Corporation's operating and market performance.
- Compensation programs must be market competitive in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of Journey's executive compensation program were developed based on the above-mentioned compensation philosophy as follows:

- To attract and retain a high quality management and employee team and to motivate performance by aligning a significant portion of the compensation to enhancement in share value and to encourage all employees to become significant Shareholders.
- To evaluate executive performance on the basis of key measurements that correlate to long-term Shareholder value.
- To tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

In establishing the executive compensation program the Governance & Compensation Committee also considers the implication of the risks associated with the compensation program, including:

- The risk of executives taking inappropriate or excessive risks.
- The risk of inappropriate focus on achieving short term goals at the expense of long-term return to Shareholders.
- The risk of encouraging aggressive accounting practises.
- The risk of excessive focus on financial returns and operational goals, including production amounts, at the expense of regulatory, environmental and health and safety.

While no program can fully mitigate these risks, the Corporation believes that many of these risks are mitigated by:

- Weighting the long-term incentives towards share ownership and vesting long-term incentives over a number of years.
- Establishing a uniform incentive program for all executive officers and employees.
- Avoiding narrowly focused performance goals which may encourage loss of focus on providing long-term Shareholder return and retaining adequate discretion to ensure that the Governance & Compensation Committee and Board retain their business judgment in assessing actual performance.
- Establishing a strong ethical atmosphere for accounting, regulatory, environmental and health and safety compliance.

The Corporation has implemented a disclosure, confidentiality and trading policy preventing NEOs and directors from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Corporation's prospectus, including transactions designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. Such

prohibited transactions include the use of puts and calls and engaging in short selling (i.e. selling securities not owned or not fully paid for).

Compensation Decision-Making Process

The Governance & Compensation Committee assists the Board of Directors in fulfilling its responsibilities by monitoring the Corporation’s compensation plans and practices and ensuring their congruence with the Corporation’s objectives and goals by assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention. The Governance & Compensation Committee is currently composed of three directors, Messrs. Mulherin (Chair), Wettstein and Crone. The proposed members of the Governance & Compensation Committee are Messrs. Mulherin (Chair), Crone and Shay, effective May 24, 2017. Each of the current and proposed members of the Governance & Compensation Committee is an independent director. A summary of the mandate of the Governance & Compensation Committee is set forth under “*Statement of Corporate Governance Practises – Board Committees - Governance & Compensation Committee*”. Each of the Governance & Compensation Committee members has served as a senior executive officer and/or director of numerous organizations and has direct experience in executive and corporate compensation programs, which provides them with the necessary skills and experience to make decisions on the suitability of Journey’s compensation policies and practices. Reference should be made to each member’s biography found under “*Business of the Meeting – Election of Directors – Biographies of Proposed Directors*”.

The Corporation first engaged Mercer Compensation Consultants in June 2014 to provide advice on the competitiveness and appropriateness of the compensation programs for both the executive and non-executive staff. The result of the review was to reconfigure the Corporation’s long-term incentive program to provide a matrix, driven by the responsibility level of the specific employee, and provides for a combination of Options, Restricted Awards and Performance Awards depending on where that employee fits into said matrix. Mercer also provided peer salary and bonus benchmarking and also established the peer group for which comparisons will be made. In 2016, Mercer’s engagement was for executive salary benchmarking and to update Journey’s peer group to be used in the 2016/2017 benchmarking (see “*2016 Executive Compensation Comparator Group*” below).

The following table summarizes the fees paid by the Corporation to Mercer Compensation Consultants for executive compensation-related and other fees during the period indicated.

	2016	2015
	(\$)	(\$)
Executive Compensation-Related Fees	25,000	25,000
All Other Fees	-	-

As part of an annual compensation review process, the CEO and the other executive staff review salary, bonus and long-term incentives trends in the industry mainly utilizing the annual Mercer “*Total Compensation Survey for the Energy Sector*”. After analyzing this data in relation to each Journey staff member, the CEO presents recommendations to the Governance & Compensation Committee regarding salary adjustments and bonuses for all of the Corporation’s staff, including the NEOs. The focus of the discussion is on the individual executive salaries, bonuses and long-term incentive awards with a review of the aggregate level of salary, bonuses and long-term incentive awards for the balance of the staff. The Governance & Compensation Committee makes specific recommendations to the Board of Directors on the CEO’s salary, bonus payments and long-term incentive awards. The Governance & Compensation Committee also recommends the salaries, bonus and long-term incentive awards payments of all other officers.

The Board of Directors reviews all recommendations of the Governance & Compensation Committee before final approval. Any director who is also an officer is excused from the directors’ meeting during any discussion of their compensation.

Competitive Positioning

The Governance & Compensation Committee reviews the compensation for the NEOs, other executives and directors against a group of competitor companies. Target base salaries were primarily benchmarked to the 5,000 to 20,000 barrels of oil equivalent per day group pursuant to the Mercer Benchmark Database.

2016 Executive Compensation Comparator Group

Journey used the following group for its 2016 compensation benchmarking purposes:

Bonterra Energy Corp.	Cardinal Energy Ltd.	Cequence Energy Ltd.	Chinook Energy Inc.	Delphi Energy Corp.
Eagle Energy Inc.	Gear Energy Ltd.	Granite Oil Corp.	Ikkuma Resources Corp.	Manitok Energy Inc.
Painted Pony Petroleum Ltd.	Perpetual Energy Inc.	Petrus Resources Ltd.	Questfire Energy Corp.	RMP Energy Inc.
Spartan Energy Corp.	Storm Resources Ltd.	Surge Energy Inc.	Tamarack Valley Energy Ltd.	Yangarra Resources Ltd.

Components of Compensation Plan

Journey's executive compensation program provides a balanced set of components designed to deliver the objectives of its compensation philosophy. The salary component provides a base of secure compensation necessary to attract and retain executive talent and is generally set at the median of the peer group data for executives, being the Mercer Peer Group. The variable components, bonus and long-term incentives are designed to balance short-term performance with the Corporation's long-term interests and motivate the superior performance of both. The long-term incentive plan also aligns NEOs with Shareholders and helps retain executive talent. In determining base salary, bonuses and long-term incentive awards, the Governance & Compensation Committee uses the executive's current level of compensation as the starting point. Governance & Compensation Committee then considers overall corporate performance, performance across a number of operating measures including but not limited to production, cash flow and reserves growth per share, to evaluate the execution of the business strategy and other subjective elements. Each element of the executive compensation program is described in more detail below.

Base Salaries and Benefits

The Governance & Compensation Committee recognizes that the Corporation's size prohibits base salary compensation for executive officers from matching those of larger companies in the industry. The Governance & Compensation Committee does believe, however, that performance-based compensation plans are an important element in the compensation package for Journey's executive officers, and that long-term equity interests, such as Options, Awards and contributions under the ESOP at least partially compensate for lower base salaries. This compensation strategy is similar to the strategies of other companies of similar size to Journey.

In setting base compensation levels of individual executive officers, consideration is given to objective factors such as level of responsibility, experience and expertise as well as subjective factors such as leadership skills. Base salaries paid to the executive officers are generally set at the median of the salaries paid to executive officers within the Mercer Peer Group. In response to the significant downturn in commodity prices continuing throughout 2016, the base salaries of all employees (including officers) were reduced 3.2% from 2015 levels. This reduction was in addition to the salary reductions of 5% for all employees implemented on June 1, 2015 as a result of the significant downturn in the industry.

Cash Bonus

Discretionary cash bonuses are intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period.

Cash bonuses are paid at the discretion of the Board on the recommendation of the Governance & Compensation Committee, based upon the achievement of certain corporate objectives. Cash bonuses recommended by the Governance & Compensation Committee are intended to be generally competitive with the market. The Governance & Compensation Committee considers the Corporation's performance during the year with respect to the qualitative

goals in the context of market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstance in making bonus recommendations.

Proposed cash bonuses for NEOs, excluding the CEO, will be recommended by the CEO, reviewed by the Governance & Compensation Committee, and, if deemed appropriate, recommended to the Board for approval. Any cash bonus to be paid to the CEO will be determined by the Board based on recommendations received from the Governance & Compensation Committee.

Option Plan

Options are allocated to employees, officers and directors based upon their experience, expertise, contribution and potential to contribute to the creation of Shareholder value and the degree to which their base salary may be lower than competitive market rates. See “*Incentive Plan Awards – Option Plan*” below for a description of the Option Plan. If at the Meeting the Shareholders do not approve the unallocated Options entitled to be granted pursuant to the Option Plan, all unallocated Options will be cancelled and the subsequent exercise or cancellation of currently outstanding Options will not automatically reload under the Option Plan and no further Options will be granted under the Option Plan until Shareholder approval is obtained. See “*Approval of Unallocated Entitlements – Shareholder Approval of Unallocated Options*” above.

Award Plan

Awards may be granted by the Board from time to time, at its sole discretion, to directors, officers and employees based upon their experience, expertise, contribution and potential to contribute to the creation of Shareholder value and the degree to which their base salary may be lower than competitive market rates. See “*Incentive Plan Awards – Award Plan*” below for a description of the Award Plan. If at the Meeting the Shareholders do not approve the unallocated Awards entitled to be granted pursuant to the Award Plan, all unallocated Awards will be cancelled and the subsequent exercise or cancellation of currently outstanding Awards will not automatically reload under the Award Plan and no further Awards will be granted under the Award Plan until Shareholder approval is obtained. See “*Approval of Unallocated Entitlements – Shareholder Approval of Unallocated Awards*” above.

Employee Share Ownership Plan (“ESOP”)

Pursuant to the Corporation’s ESOP, an employee participant may elect to contribute an amount for each semi-monthly payroll period, equal to not less than 1% and not more than 5% of such participant’s regular salary for such period, to the purchase of Common Shares on the open market, and the Corporation will contribute to the ESOP an amount equal to two times such participant contribution. On June 1, 2015 the matching contribution from Journey was revised to one (1) times the employee’s contribution to reflect the need to reduce corporate costs as a result of the significantly declining oil and natural gas prices. See “*Incentive Plan Awards – Employee Share Ownership Plan*” below for a description of the ESOP.

Performance Warrants

Prior to the completion of the IPO, the Corporation granted Performance Warrants to attract, retain and motivate employees, officers, directors and consultants, and to advance the interests of the Corporation by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation. Performance Warrants are no longer granted by the Corporation. The Series A and Series B Performance Warrants were granted in 2012 as part of the Reorganization. These Series A and Series B Performance Warrants have vesting requirements based on Common Share price targets using either equity offerings if private, or market price if public. One-third of the Series A and Series B Performance Warrants vest on the attainment of a market price (if available) or the raising of capital at prices of \$10.00, \$11.00 and \$12.00 per Common Share. The Series C Performance Warrants were created in 2013 with vesting prices of \$12.00, \$13.00 and \$14.00 per Common Share along with time vesting in equal increments over three years from the date of issuance.

Summary Compensation Table

The following table sets forth, for the three most recently completed years, information concerning the compensation paid to each Named Executive Officer or NEO by Journey (and collectively, the Named Executive Officers or NEOs).

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans (\$) ⁽³⁾	Long-term incentive plans (\$)			
Alex G. Verge President and Chief Executive Officer ⁽⁵⁾	2016	247,168	161,200	141,887	120,000	-	-	27,872	698,127
	2015	248,355	163,930	76,131	36,000	-	-	35,270	559,685
	2014	249,739	204,392	239,600	124,000	-	-	34,691	852,422
Gerald N. Gilewicz Chief Financial Officer	2016	228,222	136,400	120,302	110,000	-	-	27,381	622,305
	2015	232,068	56,442	125,605	37,000	-	-	32,867	483,982
	2014	237,868	142,722	160,416	104,000	-	-	32,157	677,164
Terry J. Moore Vice President, Engineering	2016	221,454	111,600	92,385	100,000	-	-	16,329	541,768
	2015	225,987	44,628	106,492	34,000	-	-	16,385	429,492
	2014	231,636	125,102	140,807	91,500	-	-	31,906	620,951
Brett Boklaschuk Vice President, Exploration ⁽⁶⁾	2016	194,522	111,600	92,385	100,000	-	-	18,987	517,494
	2015	195,480	98,300	26,252	32,000	-	-	23,158	375,190
	2014	188,845	86,162	91,378	54,500	-	-	33,647	454,532
Anthony Polini Vice President, Land	2016	200,090	111,600	92,385	100,000	-	-	25,839	529,914
	2015	203,992	98,300	38,065	31,000	-	-	30,008	401,365
	2014	208,590	116,292	128,678	86,500	-	-	29,730	569,789

Notes:

- (1) These amounts reflect the value that was awarded as Restricted Awards and Performance Awards. The Restricted Awards vest as to one half on the second anniversary of the grant date and one half on the third anniversary of the grant date. The Performance Awards vest on the third anniversary of the grant date. The grant date fair value for both the Restricted and the Performance Awards has been calculated as the closing market price of Journey's Common Shares on the TSX on the date of grant. For the Performance Awards a payout multiplier of 1x has been assumed. For both the Restricted and Performance Awards, the value does not include the value of dividend equivalents on the Awards.
- (2) The Option-based award values are based on the fair value of the applicable Options on the date of grant. The fair value of each Option granted is determined on the date of grant using the Black-Scholes option pricing model. The fair value amounts are not necessarily reflective of actual amounts that may be realized on the exercise of the Options. The assumptions used to calculate the fair value of the Option-based award grants for 2016, 2015 and 2014 were as follows:

Assumptions	Options		
	2016	2015	2014
Life of awards (years)	5.0	5.0	5.0
Risk-free interest rate (%)	0.7	0.6	1.4
Forfeiture rate (%)	2.0	2.0	2.0
Volatility (%)	66	50	52
Dividend yield	-	-	7.7

- (3) These amounts relate to cash bonuses earned for the respective compensation year and paid in April of the following year.
- (4) These amounts represent taxable benefits, including parking allowances, group life and health benefits, and employer contributions to the ESOP.
- (5) Mr. Verge does not receive any additional compensation in his capacity as a director of Journey.
- (6) Mr. Boklaschuk was appointed Vice President, Exploration on May 11, 2015. Previous to this Mr. Boklaschuk was Manager, Business Development at Journey.

Incentive Plan Awards

Option Plan

The purpose of Journey's Option Plan is to provide certain eligible participants with an opportunity to purchase Common Shares and to benefit from the appreciation thereof. This will provide an increased incentive for eligible participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all Shareholders and increasing Journey's ability to attract and retain individuals of exceptional skill.

The Option Plan is administered by the Board or a committee of the Board, provided that the Board has the authority in its sole discretion to administer the Option Plan. The Option Plan permits the granting of Options to purchase Common Shares to directors, officers, employees and other service providers of Journey. The Option Plan currently limits the number of Common Shares that may be issued on exercise of Options plus the number of Common Shares reserved for issuance under other incentive plans of the Corporation to 10% of the outstanding Common Shares and Restricted Voting Shares, on an aggregate basis; however, any Common Shares issued or reserved for issuance pursuant to any share-based award (including Options and Performance Warrants) granted by the Corporation prior to the completion of the IPO are excluded from this 10% limit. Any increase in the issued and outstanding Common Shares (whether it is a result of exercise of Options or otherwise) will result in an increase in the number of Common Shares that may be issued on Options outstanding at any time and any increase in the number of Options granted will, upon exercise, make new grants available under the Option Plan.

Unless otherwise determined by the Board and subject to acceleration if an Option holder ceases to be a director, officer, employee or consultant of the Corporation (as described below) or if the Board so determines upon the occurrence of a "liquidity event" (as defined in the Option Plan), Options granted pursuant to the Option Plan vest as to one-third of the Option grant, on the first, second and third anniversaries of the grant date. Vesting of all options will also accelerate on a "change of control" as defined in the Option Plan.

Unless otherwise determined by the Board, the Options granted under the Plan will expire at 4:30 p.m. (Calgary time) on the fifth anniversary of the date on which such Option was granted, subject to extension in the event that any expiry date falls during a black-out period, or within five (5) business days immediately after a black-out period ends, to a date that is ten (10) business days following the date the black-out is lifted. Any Options which have not been exercised by the expiry date shall expire and become null and void. During 2016, the Board extended the expiry of the Options granted in 2012 by one year (with no such extension granted to any insider of the Corporation, in accordance with the terms of the Option Plan). These Options all have an exercise price of \$6.00 per share.

The exercise price of the Options granted pursuant to the Option Plan is also determined by the Board of Directors or a committee thereof at the time of grant, provided that such price shall not be less than the market price of the Common Shares on the date of the grant. "Market Price" means: (a) if the Corporation has entered into an agreement pursuant to which it agrees to support a take-over bid, amalgamation, arrangement or other procedure by which an offer is made to purchase or otherwise acquire all of the issued and outstanding Common Shares and such agreement remains in full force and effect, the price at which the Common Shares will be purchased or otherwise acquired pursuant to such take-over bid, amalgamation, arrangement or other procedure; (b) otherwise, the volume weighted average trading price of the Common Shares on the stock exchange upon which the Common Shares are listed and posted for trading (or if the Common Shares are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Common Shares occurs) for the five trading days immediately preceding the particular day, calculated by dividing the total value by the total volume of Common Shares traded for the five trading-day period; or (c) in the event that the Common Shares are not listed and posted for trading on any stock exchange, the fair market value of the Common Shares as determined by the Board, acting in good faith.

Unless otherwise determined by the Board, if the optionee ceases to be a director, officer, employee or consultant of Journey or its subsidiaries (in each case, a "**Departure**") then: (a) if the reason for the Departure is the resignation of the optionee, termination for cause or termination by the Corporation of a consulting contract due to a material breach by the optionee, then no further Options shall vest after the date of Departure and such optionee's Options shall terminate and be cancelled for no consideration as of the date of Departure; (b) if the reason for the Departure is the death of the optionee, then such optionee's Options that have not vested as of the date which is 90 days after

the date of Departure (the “**Outside Vesting Date**”) shall terminate and be cancelled immediately for no consideration, and such optionee’s Options which (i) have vested as of the date of Departure may be exercised within the earlier of 4:30 p.m. (Calgary time) on the expiry date and 4:30 p.m. (Calgary time) on the day which is 180 days after the date of Departure, or (ii) vest subsequent to the date of Departure and on or before the Outside Vesting Date may be exercised no later than 4:30 p.m. (Calgary time) on the day which is 10 days after the vesting date of such Options, upon which time the right to exercise the Options shall terminate; and (c) if the reason for the Departure is any reason other than as provided in section (a) or (b) above, then in each other case (i) such Optionee’s Options that have not vested as of the Outside Vesting Date shall terminate and be cancelled immediately for no consideration, and (ii) such Optionee’s Options which (A) have vested as of the date of Departure may be exercised within the earlier of 4:30 p.m. (Calgary time) on the expiry date and 4:30 pm (Calgary time) on the day which is 30 days after the date of Departure, or (B) vest subsequent to the date of Departure and on or before the Outside Vesting Date may be exercised no later than 4:30 p.m. (Calgary time) on the day which is 10 days after the vesting date of such Options, upon which time the right to exercise the Options shall terminate.

Options are not assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution unless otherwise agreed by the Board.

Subject to the prior approval of any stock exchange or other regulatory body having jurisdiction, the Board of Directors may amend or discontinue the Option Plan or any outstanding Option at any time. Notwithstanding the foregoing, the Option Plan or any outstanding Option granted pursuant to the Option Plan may not be amended without Shareholder approval to: (i) increase the number of Common Shares issuable on exercise of outstanding Options at any time; (ii) reduce the exercise price or extend the term of any Option benefitting an insider; (iii) remove or exceed the insider participation limit; (iv) amend the amendment provision of the Option Plan; or (v) such other matters that may require Shareholder approval by any applicable stock exchange. In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of optionees holding at least two-thirds of the then outstanding Options, if it adversely alters or impairs the rights of any optionee in respect of any Option previously granted to an optionee under the Option Plan.

The Option Plan also contains anti-dilution provisions which allow the Board to make such adjustments to the Option Plan, to any Options and to any Option agreements outstanding under the Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to service providers thereunder.

The Options comply with and are subject to the requirements of the TSX and are subject to the following insider participation limit: the number of Common Shares issued to insiders within a one year period, and issuable to insiders at any time, under the Option Plan or when combined with all of the Corporation’s other security based compensation arrangements, will not exceed 10% of the total number of issued and outstanding Common Shares and Restricted Voting Shares, on an aggregate basis.

Award Plan

General

The purpose of the Award Plan is to retain and attract qualified service providers and to promote a proprietary interest in Journey. The Award Plan provides an additional benefit for participants to contribute to Journey’s future success and prosperity. The Award Plan is administered by the Board or a committee of the Board, provided that the Board has the authority in its sole discretion to administer the Award Plan. The Award Plan permits the granting of Awards to directors, officers, consultants, employees and other service providers of Journey.

The Awards comply with and are subject to the requirements of the TSX and are be subject to the following restrictions outlined in the Award Plan: (i) the number of Common Shares that are available to be issued to insiders within one year, and issuable to insiders at any time, under the Award Plan or when combined with all of the Corporation’s other security based compensation arrangements shall not exceed 10% of the outstanding Common Shares and Restricted Voting Shares, on an aggregate basis; (ii) the number of Common Shares that may be issued pursuant to Awards plus the number of Common Shares reserved for issuance under all other security based compensation arrangements of the Corporation shall not exceed 10% of the outstanding Common Shares and Restricted Voting Shares, on an aggregate basis (provided, however, that any Common Shares issued or reserved for

issuance pursuant to any share-based award (including Options and Performance Warrants) granted by the Corporation prior to the completion of the IPO will be excluded from this 10% limit); (iii) the aggregate number of Common Shares that could be issued pursuant to Awards that have been granted to any single holder shall not exceed 1% of the Common Shares and Restricted Voting Shares, on an aggregate basis; and (iv) the participation of non-management directors in the Award Plan is limited to the lesser of: (A) 0.25% of the outstanding Common Shares and Restricted Voting Shares, on an aggregate basis; and (B) an annual equity award value of \$100,000 with the value of each Award calculated at the time of grant.

The number of Common Shares that are available to be issued in one year shall be determined on the basis of the number of Common Shares outstanding immediately prior to the Common Shares issuance, excluding any Common Shares issued pursuant to share compensation arrangements over the preceding one year period. Awards may be granted in excess of the limits set forth in this paragraph provided that prior to the receipt of the requisite Shareholder approval, as provided in the Award Plan, such incentive awards may not be paid until such approval has been received.

Payment arrangements shall be as follows unless otherwise directed by the Board of Directors: (i) as to one third of the award value of such Award, on the first anniversary of the date of grant of the Award; (ii) as to one-third of the award value of such Award, on the second anniversary of the date of grant of the Award; and (iii) as to the remaining one-third of the award value of such Award, on the third anniversary of the date of grant of the Award. If the holder is on a leave of absence before any of the payment dates, such payment date(s) shall be extended by that portion of the duration of the leave of absence that is in excess of three (3) months. In the event that any payment date falls during a black-out period, such payment date shall be amended to the date that is ten (10) business days following the date the black-out is lifted. In the event of a change of control (as defined below) the payment date for the award value of those incentive awards that have not yet been paid as of such time shall be the effective date of the change of control. The Board of Directors may, in its sole discretion, determine that an Award is payable in relation to all or a percentage of the award value covered thereby for all or any Awards at any time and from time to time.

All Awards shall expire on December 15th of the third year following the year in which the Award was granted. Regardless of any other provision of the Award Plan (including extension of payment dates for black-out periods and leaves of absences), no payment date of any Award may occur after the expiry date of such incentive award, and in the event that a payment date would occur after the expiry date, the payment date in respect of such incentive award shall be on the expiry date of such incentive award.

Immediately prior to each payment date, the notional number of Common Shares underlying an Award shall be adjusted by multiplying such number by a ratio which shall initially be equal to one and then shall be cumulatively adjusted by increasing the ratio on the first business day following each dividend record date by the amount, rounded to the nearest five decimal places, equal to a fraction having as its numerator the dividend, expressed as an amount per Common Share, declared on that dividend record date multiplied by the ratio immediately prior to the dividend record date and having as its denominator the five day volume weighted average trading price of the Common Shares for the five trading days immediately before the dividend record date. If the holder has been on a leave of absence at any time since the date of grant, the notional number of Common Shares issuable will not be adjusted for any dividends paid during the period of such leave of absence. The Board of Directors reserves the right to make any additional adjustments to the number of notional Common Shares to be issued pursuant to any Award if, in the sole discretion of the Board of Directors, such adjustments are appropriate in the circumstances having regard to the principal purposes of the Award Plan and the terms of the Award.

On a payment date Journey, in the Corporation's sole and absolute discretion, shall have the option of settling the award value payable in respect of an Award by: (a) payment in cash; (b) payment in Common Shares acquired by Journey on the TSX; (c) payment in Common Shares issued from treasury; or (d) a combination of the above. Journey shall not determine what form the payment method will be until the payment date or some reasonable time prior to the payment date. No holder of an Award has the right, at any time, to demand the form of payment. Notwithstanding Journey's election to pay any award value, or portion of any award value, in Common Shares, Journey reserves the right to change the election at any time until the payment is actually made and the holder of such Award shall not have any right to enforce payment of any portion of the award value in Common Shares.

Where Journey elects to settle the award value underlying an Award by issuing Common Shares, and the determination of the number of Common Shares to be delivered to a holder on a particular payment date would result in the issuance of a fractional Common Share, Journey will credit to an account for each holder all fractions of a Common Share amounting to less than one whole Common Share issued by Journey to a holder. From time to time, when the fractional interests in a Common Share held for the account of a holder are equal to or exceed in the aggregate one additional whole Common Share, Journey will cause an additional whole Common Share to be registered as directed by the holder. No certificates representing fractional Common Share shall be delivered pursuant to the Award Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.

Unless otherwise determined by the Board of Directors or unless otherwise provided in an incentive award agreement pertaining to a particular Award or any written employment or consulting agreement governing a holder's role with Journey, in the event that a holder ceases to be employed or retained for any reason whatsoever, other than the death or disability of such holder, all outstanding incentive award agreements under which Awards have been made to such holder and for the payment date has not yet occurred, shall be terminated and all rights to receive the award value thereunder shall be forfeited on the earlier of: (i) the expiry date; and (ii) the date that is 30 days from the date that the holder ceased to be employed or retained. For clarity, the holder shall only be entitled to receive the award value for the outstanding Awards for which the payment date would fall between the date that the holder ceased to be employed or retained and the date that is 30 days from such date. Upon the termination of any employee for cause, the Board of Directors may, in its sole discretion, determine that all outstanding and unpaid Awards shall immediately terminate and become null and void on the date that the holder ceased to be employed or retained. Notwithstanding the foregoing, at no time shall the payment date of an Award occur after the expiry date.

Upon the death or disability of a holder prior to the expiry date, all outstanding award agreements under which Awards have been made to such holder and for which the payment date has not yet occurred shall be terminated and all rights to receive the award value thereunder shall be forfeited on the earlier of: (i) the expiry date; and (ii) the date that is six months from the date of death or disability. For clarity, the holder or the holder's legal representative shall only be entitled to receive the award value for the outstanding Awards for which the payment date would fall between the date of death or disability and the date that is six months from such date.

Other than a transfer of an Award to a holder's legal representative on death or disability, the Awards granted under the Award Plan are non-transferrable.

The Award Plan also provides that vesting of all rights will accelerate on "change of control" as defined in the Award Plan.

The Award Plan and any Awards granted thereunder may be amended, modified or terminated by the Board of Directors without Shareholder approval, subject to any required approval of an applicable regulatory authority, including any applicable stock exchange. Notwithstanding the foregoing, the Award Plan and any Awards granted under the Award Plan may not be amended without Shareholder approval to: (a) extend the expiry date of any outstanding Awards held by insiders; (b) permit a holder to transfer or assign Awards to a new beneficial holder other than in the case of death of the holder; (c) increase the number of Common Shares that may be issued to service providers above the restriction in the Award Plan; (d) amend the limits on non-management director participation; (e) increase the number of Common Shares that may be issued to insiders above the restriction contained in the Award Plan; or (f) amend the amendment provision. In addition, no amendment to the Award Plan or Awards granted pursuant to the Award Plan may be made without the consent of the holder, if it adversely alters or impairs any right previously granted to such holder under the Award Plan.

The Award Plan also contains anti-dilution provisions which allow the Board of Directors to make such adjustments to the Award Plan, to any Awards and to any incentive award agreements outstanding under the Award Plan as the Board of Directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to service providers thereunder.

The Award Plan is made up of two components:

Restricted Awards

Each Restricted Award entitles the holder to be issued the number of Common Shares designated in the Restricted Award as to one-half on the second anniversary of the date of grant and the remaining one-half on the third anniversary of the date of grant (or such earlier or later date as may be determined by the Board).

Performance Awards

Each Performance Award entitles the holder to be issued the number of Common Shares designated in the Performance Award multiplied by a payout multiplier, on the third anniversary of the date of grant. The payout multiplier is determined by the Board based on the achievement of the relative share price performance to a pre-determined peer group. The payout multiplier for a particular period can be Nil for share price performance in the bottom 25th percentile of the peer group; a sliding scale of Nil to 2.0x for performance in the 26th to 75th percentile of the peer group and 2.0x for share price performance in the top 25th percentile of the peer group.

Employee Share Ownership Plan

For all of its employees (including the NEOs), the Corporation has an ESOP whereby a participant may elect to contribute an amount for each semi-monthly payroll period, equal to not less than 1% and not more than 5% of such participant's regular salary for such period, to the purchase of Common Shares on the open market. Prior to June 1, 2015, the Corporation contributed to the ESOP an amount equal to two times such participant contribution. Effective June 1, 2015, Journey's contributions were reduced to one (1) times the employees contributions. Contributions are deposited with the external trustee and Common Shares are purchased each month by the trustee using the facilities of the TSX, and at prevailing market rates. The purchased Common Shares are then contributed to employee investment accounts, which can be withdrawn or transferred to another financial institution. The shares deposited into the employee's investment accounts have no vesting conditions. The Corporation pays the administrative costs associated with the ESOP including commissions and other charges in connection with sales, withdrawal and share certificate issuance fees.

During 2016, the Corporation's contributions to the ESOP totaled \$316,254, which funds were used to purchase 163,271 Common Shares at an average cost of \$1.94.

Outstanding Share-based Awards and Option-based Awards

The following table sets forth for each NEO all Options and share-based awards outstanding as at December 31, 2016.

Name	Option-based Awards				Share-based Awards ⁽²⁾		
	Number of Common shares underlying unexercised Options (#)	Option exercise Price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Alex G. Verge President and Chief Executive Officer	70,000	2.12	Oct. 12, 2021	196,000	166,900	467,320	-
	39,000	1.91	Apr. 1, 2021	109,200			
	58,000	5.26	Apr. 10, 2020	-			
	15,000	8.00	Oct. 1, 2018	-			
	62,500	6.00	July 1, 2018	-			
Gerald N. Gilewicz Chief Financial Officer	55,000	2.12	Oct. 12, 2021	154,000	131,895	369,306	-
	39,000	1.91	Apr. 1, 2021	109,200			
	43,000	5.26	Apr. 10, 2020	-			
	11,250	8.00	Oct. 1, 2018	-			
	90,000	6.00	July 1, 2018	-			
Terry J. Moore Vice President,	40,000	2.12	Oct. 12, 2021	112,000	110,543	309,520	-
	33,000	1.91	Apr. 1, 2021	92,400			

Name	Option-based Awards				Share-based Awards ⁽²⁾		
	Number of Common shares underlying unexercised Options (#)	Option exercise Price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽³⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Engineering	34,000 10,625 75,000	5.26 8.00 6.00	Apr. 10, 2020 Oct. 1, 2018 July 1, 2018	- - -			
Brett Boklaschuk Vice President, Exploration	40,000 33,000 20,000 10,000 37,500	2.12 1.91 5.26 8.00 6.00	Oct. 12, 2016 Apr. 1, 2016 Apr. 10, 2020 Oct. 1, 2018 Sep. 27, 2018	112,000 92,400 - - -	103,005	288,414	-
Anthony Polini Vice President, Land	40,000 33,000 29,000 10,625 67,500	2.12 1.91 5.26 8.00 6.00	Oct. 12, 2016 Apr. 1, 2021 Apr. 10, 2020 Oct. 1, 2018 July 1, 2018	112,000 92,400 - - -	105,570	295,596	-

Notes:

- (1) The value of the unexercised in-the-money Options has been calculated by subtracting the exercise price of the Options from \$2.80, being the closing price of the Common Shares on the TSX on December 31, 2016, and multiplying the difference (if any) by the number of unexercised in-the-money Options.
- (2) Represents Restricted Awards and Performance Awards granted pursuant to the Award Plan.
- (3) Values have been calculated using the closing price of Journey's Common Shares on the TSX on December 31, 2016 of \$2.80 multiplied by the number of share-based awards. For the Performance Awards, a payout multiplier of 1x has been assumed. The value of dividend equivalents potentially to be received on these Awards has not been factored into the values. **The actual value realized pursuant to such Restricted Awards and Performance Awards may be greater or less than the indicated value.**

The following table sets forth for each NEO all Performance Warrants outstanding as at December 31, 2016.

Name	Performance Warrant Awards			
	Number of securities underlying unexercised Warrants	Weighted Average exercise price (\$)	Warrant expiration date ⁽¹⁾	Value of unexercised in-the-money Warrants (\$) ⁽²⁾
Alex G. Verge President and Chief Executive Officer	49,500	6.67	July 1, 2018	-
Gerald N. Gilewicz Chief Financial Officer	37,125	6.67	July 1, 2018	-
Terry J. Moore Vice President, Engineering	35,063	6.67	July 1, 2018	-
Brett Boklaschuk Vice President, Exploration	33,000	6.67	July 1, 2018	-
Anthony Polini Vice President, Land	35,063	6.67	July 1, 2018	-

Notes:

- (1) The expiry of the Performance Warrants was extended by one year by the Board from July 1, 2017 to July 1, 2018. All other features of the warrants were unchanged.
- (2) The value of the unexercised in-the-money Performance Warrants has been calculated by subtracting the weighted average exercise price of the Performance Warrants from \$2.80, being the closing price of the Common Shares on the TSX on December 31, 2016, and multiplying the difference by the number of unexercised in-the-money Options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each NEO, the value of option-based and share-based awards which vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Name	Option/Warrant based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Alex G. Verge President and Chief Executive Officer	-	11,592	-
Gerald N. Gilewicz Chief Financial Officer	-	8,094	-
Terry J. Moore Vice President, Engineering	-	7,095	-
Brett Boklaschuk Vice President, Exploration	-	4,886	-
Anthony Polini Vice President, Land	-	6,595	-

Notes:

- (1) Represents the sum of the value of the Options that vested during the year, and the value of the Performance Warrants that vested during the year. The value of the Options that vested during the year has been calculated by subtracting the exercise price of the Options on the applicable vesting date from, the market price of the Common Shares on the vesting date, and multiplying the difference by the number of Options that vested. The value of the Performance Warrants that vested during the year has been calculated by subtracting the exercise price of the Performance Warrants on the applicable vesting date from the market price of the Common Shares on the vesting date, and multiplying the difference by the number of Performance Warrants that vested.
- (2) Represents the value of Restricted Awards that vested during the year. Values were determined by using the applicable share prices as of the vesting dates.

Termination and Change of Control Benefits

Journey has entered into executive employment agreements (the “**Executive Employment Agreements**”) with each of the NEOs. The Executive Employment Agreements continue indefinitely until terminated in accordance with the terms thereof and the annual base salary prescribed thereunder is subject to annual review. The executive is entitled to participate in and receive all rights and benefits under any benefit plans maintained by Journey for employees generally and executive officers. All group benefits from employment, including short and long-term disability coverage, if any, cease on the executive’s last day of active employment regardless of the reason thereof.

The Executive Employment Agreements may be terminated by Journey at any time for just cause and in such case the executive is entitled to payment of any pro rata annual base salary earned but unpaid through to the cessation date, any accrued and unused vacation and reimbursable expenses. The Executive Employment Agreements may be terminated by Journey without just cause upon payment of: (i) the pro rata amount of annual base salary earned to and including cessation of employment, accrued and unused vacation pay and reimbursable expenses, and (ii) a severance payment (the “**Severance Payment**”). In the case of Mr. Verge, the CEO, the Severance Payment is equal to 12 months base pay plus an additional month for each year of service up to a maximum amount of 24 months of the executive’s then annual base salary. Added to this is: (a) 18% of the Severance Payment to compensate for loss of benefits and (b) the average of the previous two years cash bonus. In the case of the other NEOs, the Severance Payment is calculated in the same fashion as that of Mr. Verge, with the exception that the maximum number of months of base pay earned is 18.

The Executive Employment Agreements provide that during a sixty day period following a “change of control” (as such term is defined in the Executive Employment Agreements) of Journey, the executive may elect to resign from his employment with Journey upon not less than 30 days advance written notice, and upon doing so, the executive shall be entitled to be paid the applicable retiring allowance as set forth above. In each case in which the retiring allowance becomes payable, in order to receive same, the executive is required to provide a release in favour of the Corporation and its affiliates, in form satisfactory to the Corporation. In the event that the executive elects to resign within six months following a change of control, the executive agrees, at the request of the Corporation, to continue employment for a period of up to two months, at the executive’s current compensation package, to assist the Corporation in an orderly transition of management.

The Executive Employment Agreements provide that in the event that the executive’s employment is terminated by Journey for a reason other than just cause or the executive elects to resign from his employment within 60 days following a change of control, any unvested Options that would have vested had the executive continued his employment with Journey for 12 months following the cessation of employment, shall be accelerated and shall vest on the cessation date. Such accelerated Options, as well as any then vested Options which remain unexercised, will be exercisable for 90 days following the cessation date. Pursuant to the Option Plan, the Board may also, at its discretion, accelerate the vesting of Options. The Award Plan provides that in the event the grantee of an Award ceases to be a “service provider” (as such term is defined in the Award Plan), for any reason other than death or disability, any unvested Awards will immediately terminate and any vested Awards which remain unexercised will be exercisable for a period of 30 days following the cessation date. However, in the event of termination for cause, the Board may determine that any unvested Awards which remain unexercised will immediately terminate. The terms of the Performance Warrants provide that in the event that the holder ceases to be an employee, director, officer or consultant of the Corporation or any of its subsidiaries for any reason other than for cause or death or disability, any vested Performance Warrants which remain unexercised will be exercisable for 30 days following the date of departure. Any unvested Performance Warrants that would have vested had the executive continued with Journey as an employee, director, officer or consultant with Journey for 90 days following the date of Departure, will be exercisable for 10 days after the vesting date of such Performance Warrants. In the event a holder of Performance Warrants is terminated for cause, all Performance Warrants will terminate and be cancelled for no consideration as of the date of Departure. Pursuant to the terms of the Performance Warrants, the Board may also, at its discretion, extend any of the vesting or exercise times described above or accelerate the vesting of Performance Warrants in connection with a transaction available to all Shareholders resulting in a Liquidity Event (as such term is defined in the applicable Performance Warrant certificate).

The following table summarizes the payments that would be received by each NEO in each circumstance where the NEO ceases to be employed by Journey. The amounts shown in the table below are calculated based on positions held at December 31, 2016. These amounts do not include Options or Awards granted, or compensation changes made, subsequent to the 2016 year-end. For purposes of this table, the termination date of each NEO is assumed to be December 31, 2016. The value of the Options, Awards and Performance Warrants upon termination was calculated using the closing market price on the TSX for the Common Shares on December 31, 2016 of \$2.80. Using this share price and factoring in what Options, Awards and Performance Warrants have vested under the agreements, or would vest under the agreements pursuant to the vesting acceleration clause contained therein, none of these incentives are in-the-money at December 31, 2016.

Name and Principal Position	Termination for Cause (\$)	Termination other than for Cause (\$)	Termination upon Change of Control (\$)
Alex G. Verge President and Chief Executive Officer			
Cash severance	-	565,196	565,196
Options	-	27,437	82,310
Performance Warrants	-	-	-
Stock Based Awards	-	122,220	467,320
Total - Mr. Verge	-	714,853	1,114,826
Gerald N. Gilewicz Chief Financial Officer			
Cash severance	-	524,388	524,388
Options	-	24,037	72,110
Performance Warrants	-	-	-
Stock Based Awards	-	91,980	369,306
Total – Mr. Gilewicz	-	640,405	965,804
Terry J. Moore Vice President, Engineering			
Cash severance	-	529,327	529,327
Options	-	18,857	56,570
Performance Warrants	-	-	-
Stock Based Awards	-	78,960	309,520
Total – Mr. Moore	-	627,144	895,417
Brett Boklaschuk Vice President, Exploration			
	-	336,003	336,003
	-	18,857	56,570

Name and Principal Position	Termination for Cause (\$)	Termination other than for Cause (\$)	Termination upon Change of Control (\$)
Cash severance	-	-	-
Options	-	65,898	288,414
Performance Warrants	-	-	-
Stock Based Awards	-	-	-
Total Mr. Boklaschuk	-	420,758	680,987
Anthony Polini Vice President, Land			
Cash severance	-	482,231	482,231
Options	-	18,857	56,570
Performance Warrants	-	-	-
Stock Based Awards	-	73,080	295,596
Total Mr. Polini	-	574,168	834,397

DIRECTOR COMPENSATION

Approach to Director Compensation

The objective of the director compensation plan is to attract and retain the services of qualified individuals. The compensation paid takes into account the complexity, risk and time spent in the discharge of the director's responsibilities in overseeing the Corporation's business and affairs on behalf of Shareholders. Journey utilizes a combination of cash fees paid to directors as well as long-term incentives including Restricted Awards and Options. Performance Warrants were granted to directors prior to completion of the IPO, but are no longer granted by the Corporation. The following sets forth the principal elements of the cash portion of our current director's compensation:

- Quarterly retainers of \$3,750;
- Board meeting fees of \$1,300 per meeting; and
- Committee meeting fees of \$500 per meeting.

Details of 2016 Director Compensation

Director Compensation Table

The following table sets forth all amounts of compensation provided to the directors (other than Messrs. Drouin, Verge, Harper and Zhang who received no compensation in their respective capacities as directors) for the year ended December 31, 2016.

Name and principal position	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Stephen W.C. Mulherin	27,600	-	21,106	-	-	-	48,706
Howard Crone	27,600	-	21,106	-	-	-	48,706
Dana B. Laustsen	24,600	-	21,106	-	-	-	45,706
Wieland F. Wettstein ⁽²⁾	27,100	-	21,106	-	-	-	48,206

Notes:

- (1) The Option-based award values are based on the fair value of the applicable Options on the date of grant. The fair value of each Option granted is determined on the date of grant using the Black-Scholes option pricing model. The fair value amounts are not necessarily reflective of actual amounts that may be realized on the exercise of the Options. The assumptions used to calculate the fair value of the Option-based award grants for 2016 were as follows:

Assumptions 2016

Life of awards (years)	5.0
Risk-free interest rate (%)	0.7
Forfeiture rate (%)	2.0
Volatility (%)	66
Dividend yield	-

(2) The resignation of Mr. Wettstein shall be effective May 24, 2017.

Outstanding Share-Based Awards and Option-Based Awards — Directors

The following table sets forth all Options and share-based awards outstanding for each of the directors (other than Messrs. Drouin, Verge, Harper and Zhang who received no Options or Awards in their respective capacities as directors) as at December 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of Common shares underlying unexercised Options (#)	Option-exercise Price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽²⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen W.C. Mulherin	20,000	1.91	Apr. 1, 2021	-	5,208	14,582	10,411
	12,500	12.00	May 2, 2019	-			
Howard Crone	20,000	1.91	Apr. 1, 2021	-	5,208	14,582	-
	12,500	12.00	May 2, 2019	-			
Dana B. Laustsen	20,000	1.91	Apr. 1, 2021	-	5,208	14,582	-
	12,500	8.00	Jan. 16, 2019	-			
Wieland F. Wettstein ⁽³⁾	20,000	1.91	Apr. 1, 2021	-	5,208	14,582	-
	12,500	12.00	May 2, 2019	-			

Notes:

- (1) The value of the unexercised in-the-money Options has been calculated by subtracting the exercise price of the Options from \$2.80, being the closing price of the Common Shares on the TSX on December 31, 2016, and multiplying the difference (if any) by the number of unexercised in-the-money Options.
- (2) Values have been calculated based on the closing price of Journey's Common Shares on December 31, 2016 of \$2.80 multiplied by the number of share-based awards. **The actual value realized pursuant to such Restricted Awards may be greater or less than the indicated value.**
- (3) The resignation of Mr. Wettstein shall be effective May 24, 2017.

The following table sets forth all Performance Warrants for each of the directors (other than Messrs. Drouin, Verge, Harper and Zhang who received no Performance Warrants in their respective capacities as directors) as at December 31, 2016.

Name	Performance Warrant Awards			
	Number of securities underlying unexercised Warrants	Weighted Average exercise price (\$)	Warrant expiration date	Value of unexercised in-the-money Warrants (\$) ⁽¹⁾
Stephen W.C. Mulherin	25,000	12.00	July 1, 2018	-
Howard Crone	25,000	12.00	July 1, 2018	-
Dana B. Laustsen	25,000	12.00	July 1, 2018	-
Wieland F. Wettstein ⁽²⁾	25,000	12.00	July 1, 2018	-

Notes:

- (1) The value of the unexercised in-the-money Performance Warrants has been calculated by subtracting the weighted average exercise price of the Performance Warrants from \$2.80, being the closing price of the Common Shares on the TSX on December 31, 2016, and multiplying the difference by the number of unexercised in-the-money Performance Warrants.
- (2) The resignation of Mr. Wettstein shall be effective May 24, 2017.

Incentive Plan Awards — Value Vested or Earned During the Year — Directors

The following table sets forth for each director (other than Messrs. Drouin, Verge, Harper and Zhang who received no Options or Awards in their respective capacities as directors) the value of option-based and share-based awards which vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Name	Option/Warrant-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year (\$)
Stephen W.C. Mulherin	-	10,411	-
Howard Crone	-	10,411	-
Dana B. Laustsen	-	-	-
Wieland F. Wettstein ⁽²⁾	-	10,411	-

Notes:

- (1) Represents the value of the Restricted Share awards that vested during 2016.
- (2) The resignation of Mr. Wettstein shall be effective May 24, 2017.

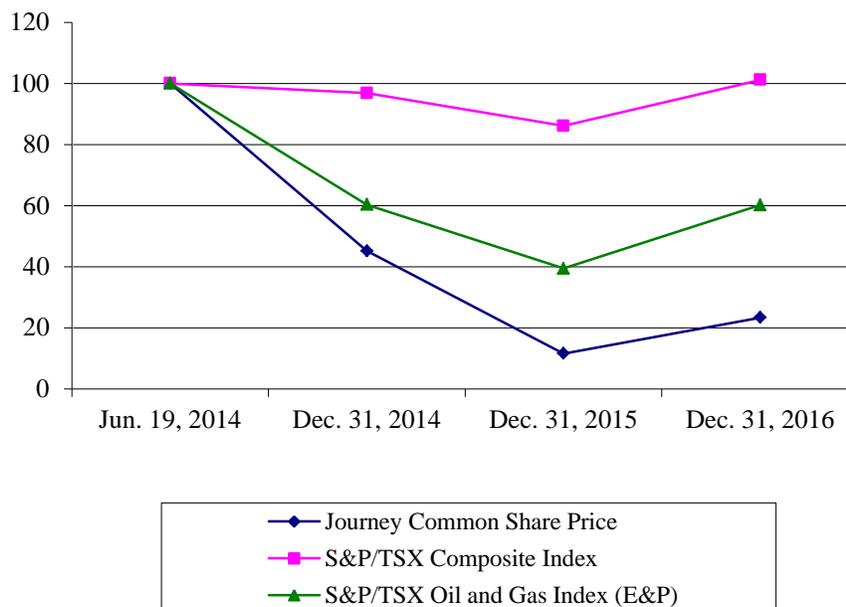
Indemnity Agreements for Directors and Officers

Journey has entered into indemnity agreements with each of the directors and officers pursuant to which Journey has agreed to indemnify such directors and officers from liability arising in connection with the performance of their duties. Such indemnity agreements conform to the provisions of the ABCA.

Performance Graph

The following graph illustrates our cumulative shareholder return, as measured by the closing price of Journey's Common Shares at the end of each financial year, assuming an initial investment of \$100 on June 19, 2014, being the date the Common Shares commenced trading on the TSX, compared to the S&P/TSX Composite Index, and the S&P/TSX Oil and Gas Index (E&P).

**Cumulative Total Return on a \$100 Investment
(June 19, 2014 – December 31, 2016)**



	Jun. 19, 2014	2014/12	2015/12	2016/12
Journey Common Shares	100	45.7	11.6	23.3
S&P/TSX Composite Index	100	96.8	86.1	101.2
S&P/TSX Oil and Gas Index (E&P)	100	60.3	39.5	60.2

Compensation levels for Named Executive Officers are set to be competitive with industry levels. The annual bonus payout is derived by a formula, based on the achievement of certain goals for the fiscal year, which are not related to share price performance. The bonus payouts can be adjusted by the Board of Directors to take into account the current economic environment. Conversely, the value of Stock Options granted pursuant to the Stock Option Plan is directly affected by changes in the price of the Common Shares.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2016.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, Performance Warrants and Awards (a)	Weighted-average exercise price of outstanding Options, Performance Warrants and Awards (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in column (a)) (c)
Equity compensation plans approved by securityholders	N/A	N/A	Nil

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, Performance Warrants and Awards (a)	Weighted-average exercise price of outstanding Options, Performance Warrants and Awards (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding Common Shares reflected in column (a)) (c)
Treasury issuances of Common Shares for Award payouts during the year	76,273	N/A	N/A
Treasury issuances of Common Shares for options exercised during the year	11,666	\$1.86	N/A
Equity compensation plans not approved by securityholders: ⁽¹⁾			
(i) Predecessor Option Plan ⁽²⁾	1,107,078	\$7.23	Nil
(ii) Option Plan	1,700,054	\$2.85	N/A ⁽⁴⁾
(iii) Performance Warrants	787,758	\$8.55	-
(iv) Award Plan	1,812,458 ⁽³⁾	N/A	N/A ⁽⁴⁾
Total	5,407,348	N/A	1,352,828

Notes:

- (1) See “*Executive Compensation – Incentive Plan Awards*” for a description of each of the Option Plan, Performance Warrants and the Award Plan. Each of the Option Plan, the Performance Warrants and the Award Plan was adopted by the Corporation prior to the listing of the Common Shares on the TSX pursuant to the IPO and prior to the Corporation being subject to the TSX requirement that all security-based compensation arrangements receive securityholder approval. Following completion of the IPO, the Option Plan, the Performance Warrants and the Award Plan, and any new equity compensation plans that may be adopted by the Corporation in the future, are subject to all applicable requirements of the TSX including, without limitation, the requirement to obtain securityholder approval for amendments when required by the plan and the requirement to obtain periodic securityholder approval for all unallocated options, rights or other entitlements under security-based compensation arrangements, such as the Option Plan and the Award Plan, which do not have a fixed maximum aggregate of securities issuable. The Shareholders are being asked to approve all unallocated entitlements under the Option Plan and the Award Plan at the Meeting. See “*Business of the Meeting – Approval of Unallocated Entitlements.*”
- (2) The predecessor option plan ceased to be effective and was replaced by the Option Plan on June 4, 2014, prior to the listing of the Common Shares on the TSX, and the Corporation ceased granting Options under it effective June 4, 2014.
- (3) As at December 31, 2016, 1,308,058 Restricted Awards and 504,400 Performance Awards were outstanding under the Award Plan.
- (4) The aggregate maximum number of Common Shares that may be issued on the exercise of Options under the Option Plan and Awards under the Award Plan is 10% of the outstanding Common Shares (excluding any share-based awards granted prior to the completion of the IPO). As at December 31, 2016, 1,352,828 Common Shares remained available for future issuance under the Option Plan and the Award Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except for: (i) indebtedness that has been entirely repaid on or before the date of this Circular, and (ii) “routine indebtedness” (as defined in Form 51-102F5 of the Canadian Securities Administrators), the Corporation is not aware of any individuals who are either current or former executive officers, directors or employees of the Corporation, and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of the Corporation or otherwise) that is owing to: (a) the Corporation, or (b) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Except for: (i) indebtedness that has been entirely repaid on or before the date of this Circular, and (ii) “routine indebtedness” (as defined in Form 51-102F5 of the Canadian Securities Administrators), the Corporation is not aware of any individual who is, or who at any time since the beginning of the financial year ended December 31,

2016 was a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation or an associate of any of those directors, executive officers or proposed nominees who is, or at any time since the beginning of the most recently completed financial year has been indebted to the Corporation or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

The Board has determined that Messrs. Mulherin, Wettstein, Laustsen, Crone, Zhang, Harper, and Shay are independent within the meaning set out in NI 58-101. However, for purposes of the Audit Committee, the Board has determined that Messrs. Zhang and Harper are not independent as they are officers of MIEH, which is a significant Shareholder of Journey.

The Board has determined that Mr. Verge is not independent as he is the President and CEO of the Corporation.

A majority of the Board is considered to be independent. Therefore, the Board is of the view that the Board functions independently of management and MIEH and that the Board is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Board.

The Corporation's independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, in accordance with the mandate of the Board, at the end of or during each Board meeting, the members of the Corporation's management and the non-independent directors who are present at such meeting, including Mr. Verge, leave the meeting in order that the independent directors can discuss any necessary matters without management and non-independent directors being present. Since the beginning of Journey's most recently completed financial year, the independent directors have held seven such meetings.

The current Chairman, Mr. Mulherin is independent. The Chairman acts in a leadership role facilitating and ensuring the functioning of the Board independently of management, bringing to the attention of the CEO any issues of independence and conflict, providing independent leadership to the Board as required and as a contact point for the other independent directors.

The following directors or proposed directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Stephen W.C. Mulherin	Veresen Inc. Trimac Transportation Ltd.
Howard Crone	Cequence Energy Ltd.
Wieland F. Wettstein	Denbury Resources Inc.
Ruilin Zhang	MIE Holdings Corporation
Andrew Harper	MIE Holdings Corporation

Board Mandate

The Board, either directly or through its committees, is responsible for the supervision of management of the Corporation's business and affairs with the objective of enhancing Shareholder value. A copy of the mandate of the Board of Directors is attached to this prospectus as Schedule "A".

Meeting Attendances

The Board of Directors held five Board meetings, four Audit Committee meetings, one Reserves Committee meeting, and one Governance & Compensation Committee meeting during 2016. The attendance for each Director is noted in the table below for both Board meetings and committee meetings.

Director	Board	Audit	Reserves	Governance/ Compensation
Stephen W.C. Mulherin ⁽¹⁾	5/5	4/4	1/1	2/2
Howard Crone	5/5	4/4	1/1	2/2
Dana B. Laustsen ⁽²⁾	5/5	-	1/1	-
Wieland F. Wettstein ⁽³⁾	5/5	4/4	-	2/2
Alex G. Verge	5/5	-	-	-
Marc A. Drouin ⁽⁴⁾	4/4	-	-	-
Ruilin Zhang	N/A	N/A	N/A	N/A
Andrew Harper ⁽⁵⁾	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Mulherin was appointed as Chairman of the Board on August 12, 2015. In addition he is Chairman of the Governance & Compensation and Special Committees.
- (2) Mr. Laustsen is Chairman of Reserves Committee.
- (3) Mr. Wettstein is Chairman of the Audit Committee. His resignation shall be effective May 24, 2017.
- (4) Mr. Drouin resigned from the Board effective September 30, 2016.
- (5) Mr. Zhang and Mr. Harper were appointed to the Board on November 7, 2016. There were no Board meetings after this date in 2016.

Board Committees

The Board has three standing committees: the Audit Committee; the Governance & Compensation Committee; and the Reserves Committee. The Board has accepted overall responsibility for health, safety and environment and no separate committees have been established to deal with these issues.

Audit Committee

The current members of the Audit Committee are Messrs. Wettstein (Chair), Mulherin and Crone. The proposed members of the Audit Committee are Messrs. Shay (Chair), Mulherin and Crone, effective May 24, 2017. Each of the current and proposed members of the Audit Committee is considered “financially literate” and “independent” within the meaning of NI 52-110. The Corporation believes that each of the members of the Audit Committee possesses: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, see “*Business of the Meeting – Election of Directors – Biographies of Proposed Directors*”.

The Audit Committee’s mandate is to oversee the nature and scope of the annual audit, oversee management’s reporting on internal accounting standards and practices, review of Journey’s financial information, accounting systems and procedures, financial reporting and financial statements and to recommend, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information. In addition to any other duties and authorities delegated to it by the Board from time to time, the Audit Committee’s mandate includes:

- overseeing the work of the external auditors, including resolving any disagreements between management and the external auditors regarding financial reporting;

- satisfying itself on behalf of the Board with respect to Journey’s internal control systems: identifying, monitoring and mitigating business risks; and ensuring compliance with legal, ethical and regulatory requirements;
- reviewing the annual and interim financial statements of Journey and related management’s discussion and analysis (“**MD&A**”) prior to their submission to the Board for approval, including: reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years’ financial statements; reviewing significant accruals, reserves or other estimates such as the ceiling test calculation; reviewing accounting treatment of unusual or non-recurring transactions; ascertaining compliance with covenants under loan agreements; reviewing disclosure requirements for commitments and contingencies; reviewing adjustments raised by the external auditors, whether or not included in the financial statements; reviewing unresolved differences between management and the external auditors; and obtaining explanations of significant variances with comparative reporting periods;
- reviewing the financial statements, prospectuses, MD&A, annual information forms (“**AIF**”) and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval, and satisfying itself that adequate procedures are in place for the review of Journey’s disclosure of all other financial information and periodically assessing the accuracy of those procedures;
- with respect to the appointment of external auditors by the Board: recommending to the Board the external auditors to be nominated; recommending to the Board the terms of engagement of the external auditors, including the compensation of the auditors and confirmation that the external auditors will report directly to the Committee; on an annual basis, reviewing and discussing with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors’ independence; when there is to be a change in auditors, reviewing the issues related to the change and the information to be included in the required notice to securities regulators of such change; and reviewing and pre-approving any non-audit services to be provided to Journey or its subsidiaries by the external auditors and consider the impact on the independence of such auditors;
- reviewing with external auditors (and internal auditor if one is appointed by Journey) their assessment of the internal controls of Journey, their written reports containing recommendations for improvement, and management’s response and follow-up to any identified weaknesses, and reviewing annual with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Journey and its subsidiaries;
- reviewing risk management policies and procedures of Journey (e.g. hedging, litigation and insurance);
- establishing a procedure for: the receipt, retention and treatment of complaints received by Journey regarding accounting, internal accounting controls or auditing matters; and the confidential, anonymous submission by employees of Journey of concerns regarding questionable accounting or auditing matters;
- maintaining and administering the Corporation’s “whistleblower” policy; and
- reviewing and approving Journey’s hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Journey.

Governance & Compensation Committee

The current members of the Governance & Compensation Committee are Messrs. Mulherin (Chair), Crone and Wettstein. The proposed members of the Governance & Compensation Committee are Messrs. Mulherin (Chair),

Crone and Shay, effective May 24, 2017. The Governance & Compensation Committee's mandate is to formulate and make recommendations to the Board in respect of corporate governance and compensation issues relating to Journey's directors, officers and employees. In addition to any other duties and authorities delegated to it by the Board from time to time, the Governance & Compensation Committee's mandate includes:

- annually reviewing the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as it believes are necessary or desirable;
- to review the compensation philosophy and remuneration policy for employees of the Corporation and to recommend to the Board changes to improve the Corporation's ability to recruit, retain and motivate employees;
- to review and recommend to the Board the retainer and fees to be paid to members of the Board;
- to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the Board with respect to) the CEO's compensation level based on such evaluation;
- to recommend to the Board with respect to non-CEO executives and director compensation including to review management's recommendations for proposed stock option, share purchase plans and other incentive compensation plans and equity based plans for non-CEO executives and director compensation and make recommendations in respect thereof to the Board;
- to administer the Option Plan approved by the Board in accordance with its terms including the recommendation to the Board of the grant of Options in accordance with the terms thereof;
- to determine and recommend for approval of the Board bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate;
- considering and, if thought fit, approving requests from directors or committees of directors of the engagement of special advisors from time to time;
- preparing and recommending to the Board annually a statement of corporate governance practices to be included in the Corporation's annual report or information circular as required by the TSX and any other regulatory authority;
- making recommendations to the Board as to which directors should be classified as "independent directors", "related" directors or "unrelated" directors pursuant to any such report or circular;
- reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board and recommending nominees who meet such needs;
- assessing, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors (including the competencies and skills that each individual director is expected to bring to the Board), including considering the appropriate size of the Board;
- recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors;
- as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board;

- to act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- developing and recommending to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function effectively and independently of management;
- making recommendations to the Board regarding appointments of corporate officers and senior management;
- reviewing annually its mandate;
- reviewing and considering the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director;
- to review all executive compensation disclosure before the Corporation publicly discloses such information;
- establishing, reviewing and updating periodically a code of business conduct and ethics and ensure that management has established a system to monitor compliance with the code; and
- reviewing management's monitoring of the Corporation's compliance with the code of business conduct and ethics.

A compensation consultant, Mercer, was retained in June of 2014 to assist in determining compensation for the Corporation's officers. In 2015 and 2016 Mercer was engaged again to do compensation benchmarking against Journey's peers and to establish a new compensation peer group. See also "*Executive Compensation – Compensation Discussion and Analysis*".

Reserves Committee

The current members of the Reserves Committee are Messrs. Laustsen (Chair), Mulherin and Crone. The proposed members of the Reserves Committee are Messrs. Laustsen (Chair), Mulherin and Crone, effective May 24, 2017. The Reserves Committee's mandate includes:

- reviewing the Corporation's procedures relating to the disclosure of reserves related information with respect to oil and gas activities including reviewing its procedures for complying with its reserves related disclosure requirements and restrictions set forth under applicable securities requirements;
- reviewing the Corporation's procedures for providing information to the independent evaluator;
- meeting with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the reserves data and to review the reserves data and the report of the independent evaluator thereon (if such report is provided);
- reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
- providing a recommendation to the Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;

- reviewing the Corporation's procedures for reporting other reserves related information associated with oil and gas producing activities; and
- generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

Orientation and Continuing Education

Journey does not currently have a formal orientation and educational program for new recruits to the Board; however, it provides such orientation and education on an informal basis. The Board believes that this is a practical and effective approach in light of its particular circumstances, including its size, the limited turnover of the directors and the experience and expertise of the members of the Board.

No formal continuing education program currently exists for the Corporation's directors; however, directors are encouraged to attend, enrol in or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director.

Ethical Business Conduct

The Board has adopted a code of business conduct and ethics, a copy of which is available for review on SEDAR at www.sedar.com. It is expected that each of Journey's officers and directors will confirm his or her understanding, acceptance and compliance of the code on an annual basis. Any reports of variance from the code of business conduct and ethics will be reported to the Board.

In accordance with the ABCA, directors who are party to, or are a director or officer of a person which is a party to, a material contract or material transaction or a proposed material contract or a proposed material transaction with the Corporation are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

The Board has also adopted a whistleblower policy which provides employees with the ability to report, on a confidential and anonymous basis, any violations within Journey including (but not limited to), criminal conduct, falsification of financial records or unethical conduct. The Board believes that providing a forum for employees, officers and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness foster a culture of ethical conduct.

Nomination of Directors

The Board does not have a specific nominating committee. The Board as a whole is responsible for selecting nominees for election to the Board. At present, Journey believes that it has a complete Board with an excellent, diverse set of skills that fosters discussions with the best interests of the Shareholders in mind. MIE, as a significant Shareholder of 33.6% of the outstanding Common Shares, will from time to time designate a representative(s) of their organization to stand for election at annual general meetings. Therefore, the Board does not have a process by which it identifies new candidates for Board nomination but rather the identification of new candidates is done on an informal and ad hoc basis.

Board Assessments

Journey has not commenced a formal process of assessing the Board and its committees or the individual directors. To date the Board has satisfied itself that the Board, its committees and individual directors are performing effectively through informal discussions.

Position Descriptions

The Board has approved written position descriptions or terms of reference for the Chairman of the Board and the chairman of each of the Audit Committee, Governance & Compensation Committee and the Reserves Committee. The Board has developed a written position description for the CEO.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted director term limits or other mechanisms of board renewal because:

- after considering the director profile at the Corporation, the Board determined that a term limit was not appropriate in the context of the Corporation;
- the Corporation has found that having long standing directors on its Board does not negatively impact board effectiveness, and instead contributes to boardroom dynamics such that the Corporation has for many years had a consistently high performing Board;
- the impositions of rigid, prescribed term limits on the tenure of directors implies that boards cannot properly govern themselves, by usurping core functions of the Board and replacing them with fixed criteria that may not adequately represent the interests of shareholders;
- it is important to retain directors who hold significant investments in the Corporation, such that their interests are aligned with the interests of the Shareholders;
- it is important to ensure that directors with significant and unique business experience in the Corporation's industry be retained;
- directors with the level of understanding of Journey's business, history and culture acquired through long service on the board provide additional value;
- the Corporation takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the board solely because of length of service. It is in the best interest of the Corporation not to have a mandatory retirement requirement for directors;
- it is the Corporation's view that the board should reflect a balance between the experience and learning that comes with longevity of service on the Board and the need for renewal and fresh perspectives;
- while term limits can help ensure the Board gains fresh perspective, imposing this restriction means the Board would lose the contributions of longer serving directors who have developed a deeper knowledge and understanding of the Corporation over time. The Board does not believe that long tenure impairs a director's ability to act independently of management; and
- term limits have the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and thereby provide an increasing contribution to the Board as a whole.

Consideration of Gender in Director Nominations and Executive Appointments

As of the date of this Circular, there are no women on the Board of Directors and none of the Corporation's executive officers are female.

The Corporation has not adopted formal targets regarding the number of women to be elected to the Corporation's Board of Directors or to be appointed to executive officer positions and the Corporation does not have written policies regarding the identification and nomination of female director candidates for election to the Board. The Governance & Nominating Committee does not specifically consider the level of representation of women on the

Board when seeking candidates for nomination and the Corporation does not specifically consider the level of representation of women in executive officer positions when making executive officer appointments.

In considering individuals as potential directors, the Governance & Nominating Committee is focussed solely on finding the most qualified persons available, regardless of gender, with skills and experience that will complement the Board and assist it in providing strong stewardship for the Corporation. When considering individuals for senior management positions, the Corporation is similarly focussed on seeking the most qualified individuals, regardless of gender, with skills and experience that will be of greatest benefit to the Corporation. This approach is believed to be in best interests of the Corporation and its stakeholders.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise set out herein, there were no material interests, direct or indirect, of any informed person (as defined in NI 51-102) of the Corporation, any proposed director of the Corporation or any associate or affiliate of any informed person or proposed director of the Corporation, in any transaction since the commencement of Journey's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

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

Management of Journey is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, executive officer, or anyone who has been a director or executive officer of Journey at any time since January 1, 2016, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of the auditor, except for as set forth in this Circular.

OTHER BUSINESS

Management of Journey is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their discretion on such matter.

MANAGEMENT CONTRACTS

No management functions of the Corporation are performed by a person or Corporation other than the directors or executive officers of the Corporation. The Company has entered into employment agreements with each of the executive officers.

ADDITIONAL INFORMATION

Additional information respecting the Corporation is available on the Corporation's SEDAR profile at www.sedar.com. Financial information respecting the Corporation is provided in the Corporation's comparative consolidated annual financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders can access this information on the SEDAR website or by request to Journey Energy Inc., 700, 517 – 10th Avenue S.W., Calgary, Alberta, T2R 0A8.

DATE AND APPROVAL

This Circular is dated April 7, 2017 and the contents and sending of this Circular have been approved by the Board.

**SCHEDULE “A”
MANDATE OF THE BOARD OF DIRECTORS**

JOURNEY ENERGY INC.

BOARD OF DIRECTORS

These terms of reference define the role of the Board of Directors of the Corporation. The fundamental responsibilities of the Board of Directors of Journey Energy Inc. (the “Corporation”) are to: (i) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value, (ii) identify and understand the risks associated with the business of the Corporation and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls. The following are the key guidelines governing how the Board will operate to carry out its duties.

1. Duty of Oversight

The Board is responsible for overseeing and supervising management’s conduct of the business of the Corporation to ensure that such business is being conducted in the best interests of the Corporation and its shareholders.

2. Formulation of Corporate Strategy

Management is responsible for the development of an overall corporate strategy to be presented to the Board. The Board shall ensure there is a formal strategic planning process in place and shall review and, if it sees fit, endorse the corporate strategy presented by management. The Board shall monitor the implementation and execution of the corporate strategy.

3. Principal Risks

The Board should have a continuing understanding of the principal risks associated with the business of the Corporation. It is the responsibility of management to ensure that the Board and its committees are kept well informed of changing risks. The principle mechanisms through which the Board reviews risks are the Audit Committee and the strategic planning process. It is important that the Board understands and supports the key risk decisions of management.

4. Internal Controls and Communication Systems

The Board ensures that sufficient internal controls and communication systems are in place to allow it to conclude that management is discharging its responsibilities with a high degree of integrity and effectiveness. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

5. Financial Reporting, Operational Reporting and Review

(a) The Board ensures that processes are in place to address applicable regulatory, corporate, securities and other compliance matters, including applicable certification requirements regarding the financial, operational and other disclosure of the Corporation.

(b) The Board reviews and approves the financial statements, related MD&A and reserves evaluations of the Corporation.

(c) The Board approves annual operating and capital budgets and reviews and considers all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.

- (d) The Board reviews operating and financial performance results relative to established strategy, budgets and objectives.

6. Succession Planning and Management Development

The Board considers succession planning and management recruitment and development. The Chief Executive Officer and the Governance & Compensation Committee shall periodically review succession planning and management recruitment and development.

7. Disclosure and Communication Policy

The Board will adopt a policy governing disclosure and communication concerning the affairs of the Corporation.

8. The Chair of the Board

The Board shall appoint a Chair from among its members. The role of the Chair is to act as the leader of the Board, to manage and co-ordinate the activities of the Board and to oversee execution by the Board of this written mandate.

9. Committees

The Board may appoint such committees as it sees fit. Each committee operates according to terms of reference approved by the Board and outlining its duties and responsibilities and the limits of authority delegated to it by the Board. The Board reviews and re-assesses the adequacy of the terms of reference of each committee on a regular basis and, with respect to the Audit Committee, at least once a year.

10. Committee Chairs and Committee Members

- (a) The Chair shall annually propose the leadership and membership of each committee. In preparing recommendations, the Chair will take into account the preferences, skills and experience of each director. Committee Chairs and members are appointed by the Board at the first Board meeting after the annual shareholder meeting or as needed to fill vacancies during the year.
- (b) Each committee's meeting schedule will be determined by its Chair and members based on the committee's work plan and terms of reference. The committee Chair will develop the agenda for each committee meeting. Each committee will report in a timely manner to the Board on the results of its meetings.

11. Board Meetings and Agendas

- (a) The Board will meet a minimum of 4 times per year.
- (b) The Chair, in consultation with the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary, will develop the agenda for each Board meeting. Under normal circumstances, management will use its best effort to distribute the agenda and related materials to directors not less than two business days before the meeting. All directors are free to suggest additions to the agenda.

12. Information for Board Meetings

- (a) Material distributed to the directors in advance of Board meetings should be concise, yet complete, and prepared in a way that focuses attention on critical issues to be considered. Reports may be presented during Board meetings by directors, management or staff, or by invited outside advisors. Presentations on specific subjects at Board meetings should briefly summarize the material sent to directors, so as to maximize the time available for discussion on questions regarding the material.

- (b) It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written material in advance.

13. Non-Directors at Board Meetings

The Board appreciates the value of having management team members attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair, and in consultation with the Chief Executive Officer, can determine management attendees at Board meetings.

14. Board Relations with Management

- (a) Board policies and guidelines are issued to management for their adherence. Directors may direct questions or concerns on management performance to the Chair, to the President and Chief Executive Officer or through Board and committee meetings.
- (b) While the Board establishes limits of authority delegated to management, directors must respect the organizational structure of management. A director has no authority to direct any staff member.

15. New Director Orientation

New directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

16. Assessing the Board's Performance

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review should identify any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation.

17. Board Compensation

The Governance & Compensation Committee will review director compensation annually in accordance with the terms of reference of the Governance & Compensation Committee and will recommend changes in compensation to the Board when wanted and in light of the responsibilities and risks involved in being a director.

18. Annual Evaluation of the President and Chief Executive Officer

The Governance & Compensation Committee will conduct an annual performance review of the President and Chief Executive Officer in accordance with the terms of reference of the Governance & Compensation Committee. The results of this performance review will be communicated to the President and Chief Executive Officer by the Chair.

19. Outside Advisors for Individual Directors

Occasionally, a director may need the services of an advisor to assist with matters involving responsibilities as a director. A director who wishes to engage an outside advisor at the expense of the Corporation may do so with the authorization of the Chair of the Board.

20. Conflict of Interest

- (a) Directors have a duty to act honestly and in good faith with a view to the best interests of the Corporation and to exercise the care, diligence and skill a reasonably prudent person would exercise in comparable circumstances.
- (b) Directors shall not allow personal interests to conflict with their duties to the Corporation and shall avoid and refrain from involvement in situations of conflict of interest.
- (c) A director shall disclose promptly any circumstances such as an office, property, a duty or an interest, which might create a conflict or “perceived conflict” with that director’s duty to the Corporation.
- (d) A director shall disclose promptly any interest that director may have in an existing or proposed contract or transaction of or with the Corporation.
- (e) The disclosures contemplated in paragraphs (c) and (d) above shall be immediate if the perception of a possible conflict of interest arises during a meeting of the Board or any committee of the Board, or if the perception of a possible conflict arises at another time then the disclosure shall occur at the first Board meeting after the director becomes aware of the potential conflict of interest, or earlier if practicable.
- (f) A director’s disclosure to the Board shall disclose the full nature and extent of that director’s interest either in writing or by having the interest entered in the minutes of the meeting of the Board.
- (g) A director with a conflict of interest or who is capable of being perceived as being in conflict of interest vis a vis the Corporation shall abstain from discussion and voting by the Board or committee of the Board on any motion to recommend or approve the relevant contract or transaction unless the contract or transaction is an arrangement by way of security for obligations undertaken by the director for the benefit of the Corporation or one relating primarily to the director’s remuneration or benefits. If the conflict of interest is obvious and direct, the director shall withdraw while the item is being considered.
- (h) Without limiting the generality of “conflict of interest” it shall be deemed a conflict of interest if a director, a director’s relative, a member of the director’s household in which any relative or member of the household is involved has a direct or indirect financial interest in, or obligation to, or a party to a proposed or existing contract or transaction with the Corporation.
- (i) Directors shall not use information obtained as a result of acting as a director for personal benefit or for the benefit of others.
- (j) Directors shall maintain the confidentiality of all information and records obtained as a result of acting as a director.

21. Corporate Governance

The Board retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board shall establish and maintain such corporate governance policies and procedures as are necessary to ensure that the Corporation is fully compliant with applicable securities laws and prevailing governance standards. Such policies and procedures shall contain clear reporting, oversight and enforcement provisions that reserve the right to the Board to take appropriate remedial action in the event of a breach thereof. The Board shall mandate the Corporation’s professional advisors to keep it apprised of developing corporate governance issues and shall, each year after the annual shareholder meeting of the Corporation, review the sufficiency of the Corporation’s corporate governance policies and procedures.

22. Terms of Reference Review

These Terms of Reference shall be reviewed and approved by the Board each year after the annual general shareholder meeting of the Corporation.