



**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 21, 2019**

AND

MANAGEMENT INFORMATION CIRCULAR

DATED: OCTOBER 16, 2019

**RAISE PRODUCTION INC.
2620 - 58th AVENUE S.E.
Calgary, Alberta
T2C 1G5**

**NOTICE OF ANNUAL GENERAL MEETING
TO BE HELD ON NOVEMBER 21, 2019**

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of RAISE PRODUCTION INC. (the “**Corporation**”) will be held at 1:00 p.m. (Calgary time) on November 21, 2019 at the Corporation’s office, 2620 – 58th Avenue S.E., Calgary, Alberta, Canada, for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2018;
2. to fix the number of directors of the Corporation to be elected at the Meeting at seven (7) and to elect directors for the ensuing year;
3. to appoint Ernst & Young LLP as the Corporation’s auditor for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
4. to ratify and approve the Corporation’s amended and restated stock option plan, as described in the management information circular dated October 16, 2019 (the “**Circular**”); and
5. to transact any such other business as may properly be brought before the Meeting or any adjournment thereof.

The Circular relating to the business to be conducted at the Meeting accompanies this notice.

Only Shareholders of record at the close of business on October 16, 2019 (the “**Record Date**”) will be entitled to vote at the Meeting, unless, after the Record Date, a Shareholder has transferred any Common Shares and the transferee, not later than 10 calendar days before the Meeting, establishes ownership of such Common Shares and demands that the transferee’s name be included on the list of Shareholders. Such transferee will be entitled to vote those Common Shares at the Meeting.

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by Odyssey Trust Company, Proxy Tabulation Department, 350, 300 – 5th Avenue S.W., Calgary, Alberta, T2P 3C4 no later than 1:00 p.m. MST on November 19, 2019, or if the Meeting is adjourned, by no later than 48 hours prior to the time and date on which the Meeting is reconvened. Alternatively, a registered Shareholder may vote online as provided for in the instructions set forth in the enclosed form of proxy. If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.

DATED at Calgary, Alberta, October 16, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

By: (signed) “Eric Laing”
President, Chief Executive Officer and Director

RAISE PRODUCTION INC.
(the “Corporation”)
2620 - 58th AVENUE S.E.
Calgary, Alberta
T2C 1G5

MANAGEMENT INFORMATION CIRCULAR

**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON NOVEMBER 21, 2019**

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the annual general meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) of the Corporation to be held at 1:00 p.m. (Calgary time) on November 21, 2019 at the Corporation’s office, 2620 – 58th Avenue S.E., Calgary, Alberta, Canada, for the purposes set forth in the notice of annual general meeting (the “Notice of Meeting”) accompanying this Circular.

The cost of the solicitation of proxies by the Corporation in connection with the Meeting has been and will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, or by other means of communication or by the directors, officers and employees of the Corporation, who will not be remunerated for this service.

Voting of Proxies and Appointment of Proxyholder

The form of proxy (the “**Form of Proxy**”) accompanying this Circular affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting.

The persons named in the enclosed Form of Proxy are members of the Corporation’s management and board.

The Form of Proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting or any other matters which may properly come before the Meeting. On any ballot or poll, the Common Shares represented by the Form of Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the Form of Proxy with respect to any matter to be voted on. **If a choice is not so specified, or if both choices are specified, with respect to any such matter, the Common Shares represented by a Form of Proxy given to management will be voted in favour of the resolutions referred to therein, for approval and adoption of each of the resolutions to be considered at the Meeting. A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the persons designated in the Form of Proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the Form of Proxy and striking out the names now designated.** The Form of Proxy must be received by Odyssey Trust Company, Proxy Tabulation Department, 350, 300 – 5th Avenue S.W., Calgary, Alberta, T2P 3C4 or completed online as provided for in the instructions set forth in the Form of Proxy no later than 1:00 p.m. MST on November 19, 2019, or if the Meeting is adjourned, by no later than 48 hours prior to the time and date on which the Meeting is reconvened.

If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the Form of Proxy and described in the accompanying Notice of Meeting and this Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder’s nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. **At the date of this Circular, the Board knows of no such amendments or variations or other matters to come before the Meeting.**

Revocability of Proxy

A Shareholder has the right to revoke a proxy at any time before it is exercised. A proxy may be revoked by a written revocation signed by the Shareholder or the Shareholder's authorized attorney or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment of the Meeting at which the proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any Adjournment thereof. A proxy may also be revoked in any other manner provided by law.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name.

Only proxies deposited by Shareholders whose names appear on our records as the registered holders of Common Shares (defined herein as "**Registered Shareholders**") can be recognized and acted upon at the Meeting. Shareholders who do not hold their Common Shares in their own name (defined herein as "**Beneficial Shareholders**") are advised that only proxies from Registered Shareholders of record or duly appointed proxyholders can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as a Registered Shareholder.

If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. Common Shares held by your broker or their nominee can only be voted (for or against resolutions) upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedure and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the Form of Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc., which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge Financials Solutions Inc., it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the shares voted.**

If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the Registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your broker (or broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

In relation to the Meeting, the Corporation's Registered Holders will receive a paper copy of the Notice of Meeting, this Circular and a Form of Proxy (the "**proxy-related materials**"), as well as a copy of the Corporation's audited financial statements for the year ended December 31, 2018 and related management's discussion and analysis. The proxy-related materials are being sent to both Registered Holders and non-registered owners of Common Shares. The Corporation is sending the proxy-related materials indirectly to non-objecting beneficial owners under National Instrument 54-101 ("**NI 54-101**"). The Corporation is not relying on the notice-and-access provisions of NI 54-101. The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners the proxy-related materials under NI 54-101 and Form 54-101F7 - Request for Voting Instructions Made by Intermediary.

Furthermore, a paper copy of Corporation's audited financial statements for the year ended December 31, 2018 and related management's discussion will be mailed to those Beneficial Shareholders who have previously requested to receive paper copies of our financial information.

RECORD DATE, VOTING COMMON SHARES AND PRINCIPAL HOLDERS

Shareholders of record as of October 16, 2019 (the “**Record Date**”) are entitled to receive notice of, attend and vote at the Meeting except to the extent that: (a) such person transfers their Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes their ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that their name be included on the Shareholders’ list for the Meeting.

Any Registered Shareholder at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have their Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “*Voting of Proxies and Appointment of Proxyholder*”.

As at the Record Date, there were 113,582,673 Common Shares outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of Shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote.

To the knowledge of the Board, as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Common Shares, other than as set forth below.

<u>Name</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Endurance Lift Holdings, LLC (formerly Synergy Energy Holdings, LLC)	Direct	14,583,333	12.84%

Note:

- (1) Crestview Partners and B29 Investments LP, the private equity owners of Endurance Lift Holdings, LLC, and Endurance Lift Solutions may be considered joint actors in respect of this investment.

BUSINESS TO BE ACTED UPON AT THE MEETING

The Shareholders will be asked to consider and, if deemed appropriate:

- receive the audited financial statements of the Corporation for the financial year ended December 31, 2018;
- by ordinary resolution, fix the board of directors of the Corporation (the “**Board**”) at seven (7) members;
- by ordinary resolution, elect the directors of the Corporation;
- by ordinary resolution, appoint the auditor for the ensuing year and to authorize the directors of the Corporation to fix the auditor’s remuneration;
- by ordinary resolution, ratify and approve the Corporation’s amended and restated stock option plan (the “**Stock Option Plan**”) for the ensuing year; and
- transact such other business as may properly come before the Meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

Receipt of Financial Statements

The Corporation’s audited annual financial statements for the year ended December 31, 2018, and the auditor’s report thereon will have been sent to all Registered Shareholders prior to the Meeting, and are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the Board. If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

Fixing Number of Directors

At the Meeting, it is proposed that the number of directors to be elected to hold office until the next annual general meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at seven.

Unless otherwise directed, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of setting the number of directors to be elected at the Meeting at seven.

Election of Directors

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's bylaws.

The Corporation is required by applicable corporate legislation to have an Audit Committee comprised of members of the Board that are considered "financially literate" and a majority of which are considered "independent", as such terms are defined in National Instrument 52-110 – Audit Committees ("NI 52-110"). The Corporation has also established: (a) a Corporate Governance, Compensation and Nomination Committee (the "**Compensation Committee**"); and (b) a Health, Safety and Environment Committee, each comprised of members of the Board. Please see the discussion under the heading "*Corporate Governance*". The present members of each committee of the Board are identified in the table below.

The following table sets forth the name of the seven persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by them, their jurisdiction of residence, principal occupation at the present, the period during which they have served on the Board, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

Name and Jurisdiction of Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned, Controlled or Directed
Dell Chapman ⁽¹⁾⁽²⁾ <i>Alberta, Canada</i>	Independent businessman since July 2013. Prior thereto, Senior Vice President and Chief Financial Officer of Equal Energy Ltd, a TSX-listed company. Mr. Chapman was a Chartered Accountant for over 30 years and is a Chartered Financial Analyst.	September 26, 2011	831,600 [<1%]
Thomas Kehoe ⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Independent businessman since April 2016. Mr. Kehoe has twenty-five years' experience in Investment Banking, most recently as Director, Institutional Trading for GMP Securities. He is a Chartered Financial Analyst.	August 27, 2018	831,940 [<1%]
Eric Laing ⁽³⁾ <i>Alberta, Canada</i>	President and Chief Executive Officer of the Corporation since July 2011. Prior thereto, the President and Vice President of Stellarton Technologies Inc. commencing 2006.	June 12, 2013	502,431 [<1%]
Richard McHardy <i>Alberta, Canada</i>	Independent businessman since May 2018. Prior thereto, President and Chief Executive Officer of Spartan Energy Corp., Spartan Oil Corp. and Spartan Exploration Ltd., all TSX-listed companies. Mr. McHardy has served as corporate secretary for a number of public companies and was a partner at McCarthy Tetrault LLP, where he practiced securities and corporate law.	September 30, 2019	4,550,000 [4%]
Dan Newman ⁽³⁾⁽⁴⁾ <i>Oklahoma, USA</i>	Chief Executive Officer of Endurance Lift Holdings, a privately held group of companies focused on the upstream oil & gas sector. Prior thereto, President of Dover Corporation's artificial lift business.	December 5, 2018	Nil ⁽⁴⁾

Name and Jurisdiction of Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned, Controlled or Directed
Albert Stark <i>Alberta, Canada</i>	Independent businessman since May 2018. Prior thereto, Vice President Operations of Spartan Energy Corp., Spartan Oil Corp. and Spartan Exploration Ltd., all TSX-listed companies. Mr. Stark holds a Bachelor of Mechanical Engineering and a Master of Chemical and Petroleum Engineering.	September 30, 2019	Nil
Ken Zinger <i>Alberta, Canada</i>	Chief Operating Officer of Canadian Energy Services & Technology Corporation, a TSX and OTCQX listed company.	October 19, 2012	2,816,601 [2.5%]

Notes:

- (1) Member of the Audit Committee. Mr. Warren Steckley, a current member of the Audit Committee, the Compensation Committee and the Health, Safety and Environment Committee, is not standing for re-election to the Board.
- (2) Member of the Compensation Committee.
- (3) Member of the Health, Safety and Environment Committee.
- (4) Mr. Newman is the CEO of Endurance Lift Holdings LLC, which owns 14,583,333 Common Shares (12.84%) of the Corporation.

Corporate Cease Trade Orders or Bankruptcies

None of the above proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any entity, including the Corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the entity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

None of the above proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any entity, including the Corporation, that, while such 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.

Penalties or Sanctions

None of the above proposed directors of the Corporation (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

No proposed director of the Corporation, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, the persons named in the accompanying Form of Proxy intend to vote for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.

Appointment of Auditor

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint Ernst & Young LLP as auditor of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. Ernst & Young LLP has served as the auditor of the Corporation since November 1, 2012.

In the absence of contrary directions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of Ernst & Young LLP as auditor of the Corporation and authorizing the directors to fix their remuneration.

Annual Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to approve an ordinary resolution to ratify and approve the Stock Option Plan, a copy of which is attached as Schedule A to the management information circular of the Corporation dated October 30, 2018 (a copy of which is available under the Corporation's profile on the SEDAR website at www.sedar.com), for the ensuing year. A summary of the terms of the Stock Option Plan is included under the heading "*Compensation of Directors and Executive Officers – Stock Option Plan*" in this Circular but is qualified in its entirety by the full text of the Stock Option Plan.

The TSX Venture Exchange ("TSXV") requires all listed companies with a "rolling" stock option plan to obtain shareholder approval of such plan on an annual basis. The Board is of the opinion it is in the best interests of the Corporation to approve and ratify the amended and restated Stock Option Plan, which was initially approved by the Shareholders at the Corporation's annual meeting on December 5, 2018.

The Shareholders will be asked to consider, and if thought fit, to approve with or without variation, the following ordinary resolution:

1. the stock option plan (the "**Stock Option Plan**"), substantially in the form attached as Schedule A to the management information circular of the Corporation dated October 30, 2018, be and is hereby ratified and approved as the stock option plan of the Corporation;
2. the form of Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. any officer or director of the Corporation be and is hereby authorized to execute all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the Stock Option Plan as herein contemplated and the Board of Directors from time to time is authorized to grant options in the capital stock of the Corporation pursuant to and in accordance with the Stock Option Plan; and
4. the Corporation is authorized to reserve and issue Common Shares in the capital of the Corporation for issuance upon exercise of stock options granted pursuant to the Stock Option Plan.

In the absence of contrary directions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of approving the Stock Option Plan.

Other Business

The Corporation's management is not aware of any other matters to come before the Meeting. If other matters come before the Meeting, it is the intention of the persons named in the accompanying Form of Proxy to vote the same in accordance with their best judgment in such matters.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The following information is presented in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* and provides details of all compensation for each of the Named Executive Officers (the "**NEOs**") and directors as of December 31, 2018. All currency amounts are expressed in Canadian dollars. A NEO means: (a) each CEO, (b) each CFO, (c) the Corporation's most highly compensated officer, other than the CEO and CFO, who was serving as an officer at the end of the most recently completed financial year and whose total compensation was more

than CAD\$150,000, and (d) any additional individuals who would be a NEO under subsection (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the financial year.

During the year ended December 31, 2018, the NEOs of the Corporation were: Mr. Eric Laing, President & Chief Executive Officer; and Ms. Susan Scullion, Chief Financial Officer & Corporate Secretary. The directors of the Corporation were: Dr. Sherry Austin and Messrs. Dell Chapman, John Grisdale, Thomas Kehoe, Eric Laing, Dan Newman, Warren Steckley and Ken Zinger. Mr. Grisdale resigned as a Director on July 9, 2018 and Dr. Austin did not stand for re-election as a Director at the Corporation's last annual general meeting on December 5, 2018.

Compensation Oversight and Description

Overview

The Corporation's Compensation Committee, comprised solely of independent directors, is responsible for setting the overall compensation strategy of the Corporation and evaluating and making recommendations to the Board for the compensation of directors and senior officers on an annual basis.

In developing the compensation strategy, the Compensation Committee uses available data to ensure that compensation is commensurate with the size and the stage of development of the Corporation. The Compensation Committee considers the responsibilities of each NEO and retention of the NEOs, who are essential to the success of the Corporation. Other factors considered are the small number of executive officers, the external market for similar positions and the financial performance of the Corporation. These factors influence both the elements of compensation and the sophistication of the manner of their determination. In addition, the Corporation relies on the flexibility of the executive officers in relation to their receipt of compensation.

No significant events occurred, or compensation policies changed during the Corporation's year ended December 31, 2018 that have had a significant effect on the Director or NEO compensation.

Objectives of Compensation Program

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to personal and corporate performance and enhancing shareholder value. In evaluating the annual performance of the executive officers, the Compensation Committee considers quantitative objectives including relative shareholder value as well as qualitative aspects of the individual's performance and achievements. However, total annual compensation for each NEO is not tied to certain performance criteria or goals of the Corporation.

Role of the Executive Officers in the Compensation Process

The Compensation Committee will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and programs for the Corporation and the salary and benefit levels of executive officers.

Risks of Compensation Program

The Compensation Committee has considered the implications of the risks associated with the Corporation's compensation policies and practices and it has a significant role in this risk oversight through regular discussions with the Corporation's President and Chief Executive Officer. An identified risk is the ability of the Corporation to attract and retain qualified executives and employee's given the current development stage status of the Corporation requiring it to offer below-market salaries and bonuses to these individuals.

Elements of the NEO Compensation Program

The Corporation's compensation comprises: (i) base salary and benefits, (ii) a discretionary incentive bonus plan and (iii) incentive stock options under the Stock Option Plan. Each component of the executive compensation program is addressed below.

Base Salaries and Benefits

Salaries for each of the executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries for the executive officers are not determined based on a specific formula or comparison with a peer group. The Compensation Committee submits its recommendation to the Board as to the salary of the President and Chief Executive Officer. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the President and Chief Executive officer for the other executive officers of the Corporation. Base salaries are established to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits as determined by the Compensation Committee that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not provide any pension or retirement benefits to its executive officers.

During the year ended December 31, 2018, the NEOs received salary increases, as disclosed under the heading “*Director and Named Executive Officer Compensation*” below. These were the first salary increases for both Mr. Laing and Ms. Scullion since their first day of employment with the Corporation on June 17, 2011 and January 28, 2013, respectively.

Incentive Bonus Plan

To align the compensation of the senior executive officers of the Corporation to the performance of the Corporation, the Board, on the recommendation of the Compensation Committee, adopted a senior executive bonus plan (the “**Bonus Plan**”) pursuant to which a discretionary incentive bonus is provided from time to time. Special bonuses may be provided related to significant projects.

The Board, through the Compensation Committee, reviews the Bonus Plan on an annual basis at the time of approving the annual budget. The Board, through its Compensation Committee, has the authority to make any changes to the Bonus Plan at any time to consider any extenuating circumstances or to correct any inequities which may have not been foreseen at the time the Bonus Plan was established or at any annual review.

The NEOs each received a bonus during the year ended December 31, 2018 as disclosed heading “*Director and Named Executive Officer Compensation*” below. The Board awarded this special bonus due to the NEOs roles in obtaining an important non-brokered financing in 2018 at a low cost to the Corporation. The last bonus payment made to these NEOs occurred during the 2013 fiscal year.

Stock Option Plan

On December 5, 2018, the Corporation adopted the amended and restated Stock Option Plan in accordance with the policies of the TSXV which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares on a non-diluted basis, and such number shall increase or decrease as the number of issued and outstanding Common Shares changes. Prior to December 5, 2018, the Corporation had a fixed stock option plan, which provided for a maximum of 10,600,000 Common Shares to be reserved for issuance at any point in time.

The Compensation Committee is responsible for making recommendations to the Board regarding the administration of and the awarding of options under the Stock Option Plan. The Compensation Committee determines the number of options to be granted to each executive officer based on the level of responsibility and experience in the position.

The Compensation Committee regularly reviews and where appropriate adjusts the number of options granted to individuals and determines the vesting provisions of such options. The vesting terms vary by grant with one-third released at each of three specified dates during the vesting period, not exceeding three years from the date of grant.

The Compensation Committee sets the number of options as appropriate to attract and retain qualified and talented employees. The Compensation Committee also takes account of the Corporation’s contractual obligations and the award history for all participants in the Stock Option Plan. The Stock Option Plan is designed to provide a long-term incentive to officer and employees that is linked to shareholder value.

The Stock Option Plan is subject to the following restrictions:

- a) the exercise period of any stock option granted will not be for a period greater than ten years and the exercise price must be paid in full upon exercise of the stock option;
- b) if any stock option expires or terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the stock option expired or terminated shall again be available for the purposes of the Stock Option Plan;
- c) the number of Common Shares subject to an option granted to any one participant shall be determined by the Board, but no one person shall be granted an option which exceeds the maximum number permitted by the TSXV including the aggregate number of Common Shares reserved for issuance during any 12-month period can be no greater than 5% to any one person and no greater than 2% to any one consultant or person performing investor relations activities on behalf of the Corporation;
- d) in the event of the death of any stock option holder, any vested option held by him or her at the date of death will become exercisable by the person or persons to whom the participant's rights under the stock option shall pass by the participant's will or the laws of descent and distribution until the earlier of one year after the date of death and the date of expiration of the term otherwise applicable to such option;
- e) if the stock option holder ceases to be a director, officer, consultant or employee of the Corporation other than be reason of death, the stock options granted will expire on the 90th day following the date the stock option holders ceases to be affiliated with the Corporation, subject to any regulatory requirements;
- f) stock options granted under the Stock Option Plan shall not be assignable or transferable by any option holder; and
- g) the Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Stock Option Plan with respect to all Common Shares under the Stock Option Plan in respect of options which have not yet been granted under the Stock Option Plan, subject to regulatory approval.

A four month hold period commencing on the date the stock options are granted is required for options granted to insiders of the Corporation or granted at any discount to the Market Price (as defined in TSXV Policy 1.1). Notice of options granted under the Stock Option Plan must be provided to the TSXV at the end of each calendar month in which stock options are granted. Any amendments to the Stock Option Plan must be approved by the TSXV and, if necessary, by the Shareholders prior to becoming effective.

Executive officers and directors of the Board are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the officer or director.

Director and Named Executive Officer Compensation

The following table provides a summary of compensation, excluding compensation securities, paid to the NEOs in respect of the Corporation's two most recently completed financial years:

Table of Compensation (excluding Compensation Securities)					
Name and Position	Year	Salary (\$)	Bonus (\$)	Value of Perquisites ⁽²⁾ (\$)	Total Compensation (\$)
Eric Laing <i>President, Chief Executive Officer and Director</i> ⁽¹⁾⁽³⁾	2018	179,242	15,000	10,800	205,042
	2017	150,000	-	10,800	160,800
Susan Scullion <i>Chief Financial Officer and Corporate Secretary</i> ⁽⁴⁾	2018	161,742	10,000	9,600	181,342
	2017	140,000	-	9,600	149,600

Notes:

- (1) Mr. Laing did not receive any additional compensation for his role as a director of the Corporation.
- (2) Consists of vehicle allowances.
- (3) Mr. Laing's annual salary was increased from \$150,000 to \$200,000 effective as of May 15, 2018.
- (4) Ms. Scullion's annual salary was increased from \$140,000 to \$180,000 effective as of May 15, 2018.

No compensation (excluding compensation securities) was earned by the Directors during the Corporation's two most recently completed financial years.

Director and Named Executive Officer Stock Option and Other Compensation Securities

The following table provides a summary of all compensation securities granted to the Directors and NEOs of the Corporation during the year ended December 31, 2018:

Compensation Securities							
Name & Position⁽⁴⁾	Type of Compensation Security	Number of compensation securities, underlying securities⁽¹⁾ and % of class⁽²⁾	Date of issue or grant	Issue, conversion or exercise price⁽³⁾ (\$)	Closing price on date of issue (\$)	Closing price at Dec 31, 2018 (\$)	Expiry date
Eric Laing <i>President, CEO & Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Susan Scullion <i>CFO & Corporate Secretary</i>	Stock options	700,000 – 10%	Feb 23, 2018	0.39	0.39	0.165	Feb 23, 2023
Sherry Austin <i>Former Director⁽⁵⁾</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dell Chapman <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Kehoe <i>Director</i>	Stock options	150,000 – 2%	Nov 26, 2018	0.19	0.19	0.165	Nov 26, 2023
Dan Newman <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
John Grisdale <i>Former Director⁽⁶⁾</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Warren Steckley <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ken Zinger <i>Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Each stock option is exercisable into one common share of the Corporation. One-third of the stock options vest annually over 36 months from the date of grant.
- (2) Percentage of class is based on 6,990,000 stock options outstanding as at December 31, 2018.
- (3) The exercise price is equal to the last closing price before the market closed on the day of issue, thus reflects the market closing price for the day prior to issuance.
- (4) At December 31, 2018: Mr. Laing held a total of 2,000,000 stock options; Ms. Scullion held a total of 1,430,000 stock options; Mr. Chapman held a total of 150,000 stock options; Mr. Kehoe held a total of 150,000 stock options; Mr. Newman held nil stock options; Mr. Steckley held a total of 150,000 stock options; and Mr. Zinger held a total of 400,000 stock options.
- (5) Dr. Austin did not stand for re-election at the Corporation's shareholder meeting on December 5, 2018. At December 31, 2018, Dr. Austin held a total of 175,000 stock options.
- (6) Mr. Grisdale resigned from the Board on July 9, 2018. At December 31, 2018, Mr. Grisdale held nil stock options.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by the Directors and NEOs of the Corporation during the year ended December 31, 2018.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than as set forth below, the Corporation has no contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a NEO's responsibilities.

Pursuant to an employment agreement (the "**Employment Agreement**") between Mr. Eric Laing and the Corporation dated June 17, 2011, the Corporation agreed to engage Mr. Laing upon the following terms and conditions:

- (a) Mr. Laing was appointed as President of the Corporation;
- (b) the annual compensation was initially set at \$150,000, subject to review by the board of directors on a periodic basis, and Mr. Laing is eligible, under certain circumstances, to receive bonuses and stock options;
- (c) Mr. Laing will be reimbursed for reasonable expenses incurred in connection with his employment, including those incurred while traveling on business on the Corporation's behalf;
- (d) after the end of his employment, Mr. Laing is subject to a number of conditions owing to non-competition, non-solicitation and confidentiality provisions; and
- (e) Mr. Laing is entitled to receive a \$300,000 termination payment in the event that he is terminated or constructively dismissed without cause or he resigns his position as a result of the following:
 - (i) there is a change of control event as defined by the Employment Agreement that was not supported by Mr. Laing; or
 - (ii) there is a material breach of the Employment Agreement by the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

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

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by Shareholders			
Stock Option Plan	6,990,000	\$0.31	4,368,267
Equity compensation plans not approved by Shareholders			
	-	-	-
Total	6,990,000	\$0.31	4,368,267

Note:

- (1) As of October 16, 2019, there were 9,490,000 stock options issued and outstanding and a total of 1,868,267 stock options available for issuance pursuant to the Stock Option Plan. See "*Stock Option Plan*" above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Corporation or its subsidiaries, or any associate or affiliate of the foregoing, has been indebted to the Corporation at any time during the most recently completed financial year, nor have any of the persons described in the preceding sentence have, since the beginning of the most recently completed financial year, been indebted to another entity to which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

For the purposes of the above, a support agreement includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

AUDIT COMMITTEE

The function of the audit committee of the Corporation (the “**Audit Committee**”) is to review the overall audit plan and the Corporation’s system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation’s auditor.

1. **The Audit Committee’s Charter**

Attached as Schedule A.

2. **Relevant Education and Experience**

See below under the heading “*Compensation of Audit Committee*”.

3. **Reliance on Certain Exemptions**

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

4. **Composition of the Audit Committee**

The Audit Committee is currently composed of Messrs. Dell Chapman (Chairman), Warren Steckley and Thomas Kehoe. All members are considered independent and have the ability to read, analyze and understand the complexities surrounding the preparation of financial statements pertinent to the Corporation. Mr. Steckley is not standing for re-election to the Board, thus the composition of the Audit Committee will be re-evaluated by the Board subsequent to the Meeting. All members have been involved in the financing, administration and operation of managing private and/or public companies and have been, either directly or indirectly, involved in the preparation of financial statements, dealing with the auditor or as a member of an audit committee.

5. **Audit Committee Oversight**

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

6. **Pre-Approved Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee’s Charter under the heading “External Auditors”.

7. **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Corporation’s external auditor in each of the last two fiscal years for audit fees are approximately as follows:

Financial Year Ending	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
2018	\$68,000	\$5,000	\$7,425	\$4,887
2017	\$71,000	-	\$11,868	\$5,268

Notes:

- (1) This amount relates to fees for the external auditor’s review of the Corporation’s IFRS 16 adoption analysis and IFRS 9 and 15 financial statement disclosures.
- (2) This amount relates to fees for the preparation of the Corporation’s Scientific Research & Experimental Development (“SR&ED”) tax credit application, tax advice and income tax return preparation.
- (3) This amount relates to fees for administrative costs billed by the auditor of the Corporation.

8. Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

The Corporation is committed to implementing and maintaining effective and best practices in corporate governance. The Corporation's approach to significant corporate governance issues has been, and continues to be, designed with a view to ensuring that the business of the Corporation is effectively managed to enhance shareholder value. The Corporation has implemented certain structures and procedures to ensure that effective corporate governance practices are followed and the Board functions independently of management. The Corporate Governance & Nomination Committee provides a focus on corporate governance to ensure, on behalf of all stakeholders, that the Corporation has an effective corporate governance regime in place.

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices in accordance with Form 58-101F2 - *Corporate Governance Disclosure*.

1. **Board of Directors** – Of the seven individuals being nominated as directors at the Meeting, six are deemed to be independent according to the definition of “independence” set out in section 1.4 of NI 52-110, including Messrs. Dell Chapman, Thomas Kehoe, Dan Newman, Richard McHardy, Albert Stark and Ken Zinger. Mr. Eric Laing, President and Chief Executive Officer of the Corporation, is not considered independent by virtue of his executive position.

The Board facilitates its exercise of independent supervision over management by having at least half of the Board members consist of individuals who are independent of the Corporation.

2. **Directorships** - Certain of the Corporation's directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Mr. McHardy serves as a director of YSS Corp., a TSXV-listed company.

3. **Orientation and Continuing Education** - The Board ensures that all new directors receive a comprehensive orientation regarding both the business of the Corporation, the duties of a director and continuing education. The information is normally provided to directors in an informal meeting with senior management present. All directors are also provided with a Corporate Governance binder detailing Board and corporate governance guidelines and Board and committee mandates. Directors are also invited to meet with the Corporation's legal counsel in order to better understand what their legal responsibilities are.
4. **Ethical Business Conduct** - The Corporation has a formal written Code of Business Conduct and Ethics Policy covering ethical business conduct that applies to all Board members, executive officers, management, employees and consultants of the Corporation.

Each Board member is responsible to ensure his or her conduct is consistent with the letter and spirit of this Code. The Corporate Governance & Nomination Committee, on behalf of the Board of Directors, is responsible for setting the standards in the Code and updating these standards as deemed appropriate to reflect changes in the legal and regulatory environment, the business practices of the Corporation and the environment within which it operates. The Board has also established a Whistleblower Policy, which establishes the complaint procedures for concerns about any aspect of the Corporation's activities and operations. These policies assist in maintaining the ethical business conduct of the officers and directors.

5. **Nomination of Directors** – The Board and Corporate Governance & Nomination Committee periodically consider if and when new individuals are proposed for election or appointment to the Board, having regard to the competencies, skills and personal qualities of the candidates and existing members of the Board.

6. **Compensation** - The Compensation Committee is responsible for determining and approving compensation for directors and officers. The Compensation Committee reviews the performance and recommends the remuneration of the senior officers as well as the overall remuneration and personnel policies developed by management. The Board reviews and approves the compensation of directors annually, or sooner, if deemed appropriate. Additional information pertaining to compensation including the committee members can be found under the heading “*Compensation of Directors & Executive Officers*”.
7. **Other Board Committees** – In addition to the Compensation Committee and the Audit Committee described above, the Board has implemented a Corporate Governance & Nomination Committee and a Health, Safety and Environment Committee.

Corporate Governance & Nomination Committee:

The current members of the Corporate Governance & Nomination Committee are Messrs. Warren Steckley (Chairman), Dell Chapman and Thomas Kehoe. Mr. Steckley is not standing for re-election to the Board, thus the composition of this Committee will be re-evaluated by the Board subsequent to the Meeting.

The overall purpose of the Corporate Governance & Nomination Committee is to guide the Corporation in its approach to and implementation and maintenance of corporate governance practices. In that regard, it recommends to the Board the composition of the Board and its committees, assists the Board in developing the Board Mandate, assists the Board with respect to the orientation of new directors and continuing education of existing directors, oversees the performance of the Board and its committees, monitors developments in corporate governance and ensures the Corporation’s compliance with the Code of Business Conduct and Ethics and governance policies.

Health, Safety and Environment Committee:

The current members of the Health, Safety and Environment Committee are Dan Newman (Chairman), Warren Steckley and Eric Laing. Mr. Steckley is not standing for re-election to the Board, thus the composition of this Committee will be re-evaluated by the Board subsequent to the Meeting.

The overall purpose of the Health, Safety and Environment Committee is to assist the Board in fulfilling its responsibilities in relation to health, safety and environmental matters, including ensuring that employees are provided with a safe environment in which to perform their duties and monitoring and overseeing the Corporation’s policies and procedures for ensuring compliance by the Corporation with environmental regulatory requirements.

8. **Assessments** - The Corporate Governance & Nomination Committee assists the Board with respect to assessments of the effectiveness and contribution of the members of the Board and its committees, which includes reviewing both the Board and its committees’ decision-making processes and the quality of information provided by management.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, the Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate of any “informed person”, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

On September 30, 2019, the Corporation acquired all of the issued and outstanding shares in the capital of 1955554 Alberta Ltd. (the “**Business**”), an arm’s length private consulting company, for a total of \$1.4 million, satisfied through the issuance of convertible debentures of the Corporation. In connection with the transaction, Messrs. McHardy and Stark, Chief Executive Officer and Chief Operating Officer of the Business, respectively, were appointed as directors of the Corporation.

For the purposes of the above, “informed person” means: (a) a director or executive officer of the Corporation; (b) a director, executive officer or trustee of a person or company that is itself an informed person; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

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

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who:

- (a) has acted as a director or executive officer of the Corporation or a subsidiary of the Corporation since the beginning of the Corporation's most recently completed financial year;
- (b) is a proposed nominee for election as a director of the Corporation; or
- (c) is an associate or affiliate of any of the persons listed directly above in (i) and (ii),

in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditor.

MANAGEMENT CONTRACTS

No management functions of the Corporation are, to any substantial degree, performed by a person or company other than the directors or executive officers of the Corporation.

ADDITIONAL INFORMATION

Financial information of the Corporation is provided in the Corporation's annual financial statements and management's discussion and analysis for the year ended December 31, 2018. Copies of these documents may be obtained by mailing a request to the Corporation at 2620, 58th Avenue S.E. Calgary, Alberta, T2C 1G5, Attention: Susan Scullion, Chief Financial Officer.

Copies of these documents, as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at www.sedar.com.

SCHEDULE A
AUDIT COMMITTEE CHARTER

Role of Audit Committee

The role of the Audit Committee is to assist the Board of Directors (the “Board”) of RAISE PRODUCTION INC (the “Corporation”) in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

Administrative Matters

The following general provisions shall have application to the Audit Committee:

- (a) Appointment of Committee Members and Chairman
 - (i) The Board shall, annually at their first meeting following each annual general meeting of shareholders of the Corporation, determine the number of members to serve on the Audit Committee, subject to the minimum size requirements contained herein, and shall elect the members of the Audit Committee from among their number to hold office until the close of the next annual general meeting.
 - (ii) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Board of the Corporation. A member of the Audit Committee shall automatically cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.
 - (iii) Unless otherwise designated by the Board, the members of the Audit Committee shall elect a Chairman from among their number and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the Audit Committee shall appoint one of their members to act as Chairman.
- (b) Composition and Qualifications of Audit Committee
 - (i) Size: The Audit Committee will consist of a minimum of three Directors.
 - (ii) Qualifications: Except as may be permitted by applicable securities laws, all members of the Audit Committee must be “independent” and “financially literate” within the meaning of Multilateral Instrument 52110 – Audit Committees and possess:
 - (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 reserves;
 - (C) experience in 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 be 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 disclosure controls and internal controls and procedures for financial reporting.
- (c) Meetings of the Committee and Attendees of Meetings
 - (i) Number of Meetings: The Committee will meet at least four times a year to coincide with each three month ended financial period and each fiscal year end and may hold a portion of each meeting without the presence of management.
 - (ii) Time and Place: The time at which and the place where the meetings of the Audit Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Audit Committee having regard to the bylaws of the Corporation.
 - (iii) Quorum: A quorum of the Audit Committee shall be the attendance of two (2) members thereof.
 - (iv) Notice: Notice of every meeting of the Audit Committee shall be given to all members, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), and to the external auditor of the Corporation.
 - (v) Minutes: Minutes shall be kept of all meetings of the Audit Committee.
 - (vi) Participation: A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all

persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

- (vii) **Written Resolution:** A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee.
 - (viii) **Request of External Auditor:** Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Board or the shareholders of the Corporation.
 - (ix) **Auditor Attendance:** The external auditor of the Corporation shall be requested to appear before the Audit Committee at all meetings where financial results are reviewed and at other times when deemed necessary by the Audit Committee.
 - (x) **Management Representatives Attendance:** The CEO and the CFO shall be invited to attend all Audit Committee meetings, except private committee sessions and private sessions with the external auditors.
 - (xi) **Invitees of Committee:** The Audit Committee may invite such other officers, directors and employees of the Corporation or its affiliates as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee.
 - (xii) **Independent Meetings:** Notwithstanding that other parties may attend meetings of the Audit Committee, the Audit Committee: (i) shall meet with the external auditor independent of management; and (ii) may meet separately with management.
 - (xiii) **Voting:** Each resolution or decision shall be determined by a majority of the votes cast.
 - (xiv) **Communication:** The Audit Committee shall provide a summary of all meetings to the Board together with the minutes, or an oral report if the minutes are not prepared.
- (d) **Authority of the Committee**
- (i) **Access:** The members of the Audit Committee shall, for the purpose of performing their duties, have the right of inspecting all the books and records of the Corporation and its affiliates and of discussing such books and records in any manner relating to the financial position of the Corporation with the officers, employees and external auditor of the Corporation and its affiliates.
 - (ii) **Independent Counsel:** The Audit Committee shall have the authority to engage independent counsel or other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

Mandate and Responsibilities

In carrying out its role, the Audit Committee has the following mandate and responsibilities:

- (a) **Financial Information and Reporting:**
 - (i) prior to public release, to review and discuss with management (including, but not limited to, the CEO and CFO) and the external auditor, as appropriate:
 - (A) the annual audited financial statements and the interim financial statements including the accompanying management's discussion and analysis, and to understand the basis for management's conclusions;
 - (B) the disclosures required in the Corporation's annual and interim management's discussion and analysis regarding internal control over financial reporting and disclosure controls and procedures; and
 - (C) any annual and interim earnings releases and other press releases containing guidance or information taken from the Corporation's financial statements;
 - (ii) to review the Corporation's financial reporting and accounting standards and principles and any proposed material changes to them or their application; and
 - (iii) prior to public release, to review and if appropriate, recommend to the Board for approval, all public disclosure documents containing audited or unaudited financial information, any prospectuses, information circulars, annual reports, annual information forms and management's discussion and analysis;
- (b) **Internal Control:**
 - (i) to require management to implement and maintain appropriate systems of internal control, including internal controls over financial reporting and for the prevention and detection of fraud and error;
 - (ii) to review the systems of internal control and meet with the CEO and CFO to assess the adequacy and effectiveness of these systems and to obtain on a regular basis reasonable assurance that the Corporation is in control; and

- (iii) to receive reports from the CEO and CFO as to the existence of any significant deficiency or material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting;
- (c) Disclosure Controls and Procedures:
- (i) to require management to implement and maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation, including controls and procedures designed to ensure the information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure;
 - (ii) to review the disclosure controls and procedures with the CEO and CFO to assess the adequacy and effectiveness of these controls and procedures; and
 - (iii) to receive reports from the Corporation's Disclosure Committee;
- (d) External Audit
- (i) to recommend to the Board, for shareholder approval, the appointment of the external auditor for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation;
 - (ii) to review, at least annually, the qualifications of external auditor;
 - (iii) to recommend to the Board the compensation of the external auditor;
 - (iv) to evaluate and oversee the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor;
 - (v) to enquire into and determine the appropriate resolution of any conflict of interest in respect of the external auditor;
 - (vi) to oversee the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (vii) to obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality control procedures, any material issues raised by the auditor's internal quality control reviews and the steps taken to resolve those issues; and
 - (viii) to monitor and review, at least annually, the relationship between the Corporation and the external auditor in order to establish the independence of the external auditor. If there is to be a change of external auditors, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period;
- (e) Risk Management: to review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks, including:
- (i) review of the Corporation's investment policy; and
 - (ii) review of the amount and terms of Corporate insurance policies to be obtained or maintained, except Directors & Officers ("D&O") insurance, with respect to risks inherent in its operations; and
- (f) Compliance
- (i) to review the Corporation's financial reporting procedures and policies to ensure compliance with all related legal and regulatory requirements and to investigate any non-adherence to those procedures and policies;
 - (ii) to review and understand the basis upon which the Corporation's CEO and CFO made their conclusions, included in the annual and interim management's discussion and analysis, regarding the Corporation's disclosure controls and procedures and internal controls over financial reporting, including any material weaknesses;
 - (iii) to receive a report from the Corporation's CEO and CFO and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting; and

- (iv) to establish procedures for the receipt, retention and treatment of any complaint regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

Specific Procedures

- (a) **Review of Audited Financial Statements:** The Audit Committee will review the Corporation's annual audited financial statements with the CEO and the CFO and then the full Board.
- (b) **Review of Interim Unaudited Financial Statements:** The Audit Committee will review the interim financial statements with the CEO and the CFO and may then review them with the full Board.
- (c) **Review of Releases and Presentations:** The Audit Committee will review any news release containing financial information, including information taken from the Corporation's financial statements, prior to the release of the financial statements to the public. In addition, the CFO may review with the Audit Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.
- (d) **Approval of Audit and Non-Audit Services:** In addition to recommending the external auditor to examine the Corporation's financial statements, the Committee must approve any use of that external auditor to provide non-audit services prior to its engagement. It is the Audit Committee's practice to restrict the non-audit services that may be provided by the external auditor in order to minimize relationships that could appear to impair the objectivity of the external auditor.
- (e) **Review and Approval of Hiring Policies:** The Audit Committee must review and approve the Corporation's hiring policies regarding the hiring of any partner, employee, and former partners and employees of the Corporation's existing and former external auditor. The Audit Committee should also consider the independence standards of the Canadian Institute of Chartered Accountants.
- (f) **Process for Handling Complaints about Accounting Matters:** The Audit Committee has established the following procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters:
 - (i) The Chief Financial Officer will send out a company-wide communication at least annually informing all RAISE employees of special mail and email addresses and telephone numbers for receiving complaints regarding accounting, internal accounting controls or auditing matters (Whistleblower Policy). This communication will specifically indicate that all communications to the Audit Committee will be kept confidential and no retaliation or adverse actions will be taken toward the employee for raising or helping to resolve a complaint with the Audit Committee.
 - (ii) Copies of complaints received will be sent to the Chair of the Committee and will be logged and retained by the Chair for a reasonable period of time.
 - (iii) All complaints will be investigated by the Corporation's finance staff, except as otherwise directed by Chair of the Committee. The Chair of the Committee may request that outside advisors be retained to investigate any complaint.
 - (iv) The status of each complaint will be reported by the Chair of the Committee on a quarterly basis to the full Audit Committee and, if the full Audit Committee so directs, to the full Board.
 - (v) Any director, officer or employee of the Corporation is prohibited from retaliating or taking any adverse action against anyone for raising or helping to resolve a complaint.
- (g) **Evaluation:** The Audit Committee will present to the Board an annual evaluation on the adequacy of this charter and recommend any proposed changes to the Board for approval.
- (h) **Report to Board:** The Audit Committee shall report to the Board on such matters and questions relating to the financial position of the Corporation or any of its affiliates as the Board may from time to time refer to the Audit Committee.