

**CORRIDOR RESOURCES INC.
INFORMATION CIRCULAR
FOR THE ANNUAL MEETING
OF SHAREHOLDERS
to be held on May 14, 2019**

MANAGEMENT SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation by the management of Corridor Resources Inc. ("Corridor" or the "Corporation") of proxies to be used at the annual meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of Corridor, to be held at the offices of Bennett Jones LLP, 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta on May 14, 2019 at 3:00 p.m. (Calgary time) for the purposes set forth in the accompanying notice of meeting (the "Notice") and in this Circular.

GENERAL PROXY MATTERS

Management Solicitation of Proxies

Management of Corridor is soliciting proxies in respect of the Meeting. Solicitation will be primarily by mail, but may also be by way of telephone, facsimile or oral communication by the directors, officers or regular employees of Corridor, at no additional compensation to them. The costs of the solicitation of proxies will be borne by Corridor.

Voting of Common Shares at the Meeting and Record Date

As at April 2, 2019, there were 88,924,465 Common Shares issued and outstanding, each of which carries the right to one vote at meetings of the Shareholders.

Persons registered as Shareholders ("Registered Shareholders") on the books of Corridor maintained by Computershare Trust Company of Canada ("Computershare") as of the close of business on April 2, 2019 (the "Record Date") are entitled to receive notice of and to vote at the Meeting. Shareholders who do not hold Common Shares in their own name on the records of Corridor are not entitled to receive notice of the Meeting or to vote in respect of such shares at the Meeting, and should refer to the section entitled "Advice to Beneficial Holders of Common Shares" immediately below for details regarding how they may exercise voting rights in respect of Common Shares beneficially held by them.

Any person who acquires Common Shares from a Shareholder after the Record Date may vote those Common Shares if, not later than 10 days prior to the Meeting, that person makes a request in writing and in satisfactory form to Computershare to have his or her name included as a Registered Shareholder on the list of Shareholders for the Meeting and establishes that he or she owns such Common Shares. In addition, persons who are Beneficial Shareholders (as defined below) as of the Record Date will be entitled to vote at the Meeting in accordance with the procedures established pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators ("**National Instrument 54-101**").

Voting by Proxy

Shareholders can attend the Meeting in person or appoint a person (who need not be a Shareholder) to represent them at the Meeting.

A form of proxy (the "**Proxy**") accompanies this Circular, and each person named in the Proxy is either a director and/or an officer of Corridor. **A Shareholder has the right to appoint a person (who does not need to be a Shareholder), other than the persons designated in the Proxy, to represent him or her at the Meeting.** To exercise this right, a Shareholder should strike out the management designated names on the Proxy and insert the name of the desired person in the blank space provided on the Proxy. Alternatively, a Shareholder may complete another appropriate form of proxy. The Proxy, or an alternate form of proxy, will not be valid unless it is received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting. Proxies may be deposited with, or mailed to, Computershare at the 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Attention: Proxy Department.

A Shareholder may vote by telephone or by internet 24 hours a day, 7 days a week. To vote by telephone the Shareholder should call 1-866-732-VOTE (8683) from a touch tone phone, or if the Shareholder is outside of North America, the Shareholder should call 1-312-588-4290. To vote using the internet, a Shareholder should access www.investorvote.com. To vote by telephone or internet, the Shareholder will need to provide the control number noted on the applicable Proxy. For further information on voting by telephone or by internet, see the Proxy accompanying this Circular.

Exercise of Discretion by Proxyholders

The persons named in the Proxy will vote or withhold from voting the Common Shares in respect of which they are appointed, on any ballot that may be called for, in accordance with the direction of the Shareholder appointing them. **In the absence of such specification, the proxyholder shall be deemed to have been granted the authority to vote the relevant Common Share FOR: (i) the election of the directors as set forth in this Circular, and (ii) the appointment of auditors at such remuneration as may be determined by the Board of Directors of Corridor (the "Board") as set forth in this Circular. The Proxy also confers discretionary authority upon the persons named in the Proxy with respect to amendments to, or variations of, the matters identified in the Notice and with respect to other matters that may properly be brought before the Meeting.** As of the date hereof, the management of Corridor knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice.

Revocation of Proxies

A Shareholder who has submitted a Proxy or alternative form of proxy may revoke it with an instrument in writing signed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, by a duly authorized officer or officers or attorney of such corporation, provided such instrument is deposited either: (i) at the registered office of Corridor, being 4500 Bankers Hall East, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4K7, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting at which the form of proxy is to be used; (ii) with the Chairman of the Meeting immediately prior to the commencement of the Meeting or any adjournment of the Meeting; (iii) by the Shareholder personally attending at the Meeting and voting the Common Shares represented by the proxy or, if the Shareholder is a corporation, by a duly authorized officer or officers or attorney of such corporation attending at the Meeting and voting such Common Shares; or (iv) in any other manner permitted by law.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance as most of the Shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Corridor as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If the Common Shares are listed in an account statement

provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in the Shareholder's own name on the records of Corridor. Such Common Shares will more likely be registered in the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of these shares are registered in the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of proxy unless their brokers or agents are given specific instructions. If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.**

Applicable Canadian regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. In certain cases, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the Proxy provided to Registered Shareholders, however, its purpose is limited to instructing the Registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. In Canada, the majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Institution Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails that form to the Beneficial Shareholders and asks Beneficial Shareholders to return the instruction forms to Broadridge. Alternatively, Beneficial Shareholders can either call Broadridge's toll-free telephone number to vote their Common Shares or access their dedicated voting website at www.proxyvotecanada.com to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting – voting instructions must be provided to Broadridge (in accordance with the instructions set forth on the Broadridge form) well in advance of the Meeting in order to have the Common Shares voted.**

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

Corridor will not send its proxy-related materials directly to objecting or non-objecting beneficial owners under National Instrument 54-101. Corridor intends to pay for proximate intermediaries to forward the proxy-related materials and the voting instruction form to non-objecting beneficial owners.

Beneficial Shareholders should contact their brokers or other intermediaries if they have any questions regarding the voting of their Common Shares held through such brokers or other intermediaries.

Principal Holders of Common Shares

To the knowledge of the directors and officers of Corridor, the only persons or companies that beneficially own, or control or direct, directly or indirectly, over 10% or more of the voting rights attached to the Common Shares are as follows:

Name	No. of Common Shares Owned or Controlled	% of Common shares
The Children's Investment Fund Management (UK) LLP ⁽¹⁾	17,254,949	19.40%

Note:

- (1) The Children's Investment Fund Management (UK) LLP controls or directs 17,254,949 Common Shares, which shares are owned by Talos Capital Limited ("**Talos**"). Information in respect of The Children's Investment Fund Management (UK) LLP is based on the current insider reporting of Talos on behalf of The Children's Investment Fund Management (UK) LLP as set forth at www.SEDI.ca.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Governance

The Board has delegated to the Corporate Governance Committee of the Board (the "**Governance Committee**") responsibility for the oversight, review, and approval of the Corporation's compensation policies, human resources policies and development and succession planning. Members of the Governance Committee during the financial year ended December 31, 2018 were J. Douglas Foster (Chair), James S. McKee and Norman W. Miller, each of Mr. Foster, Mr. McKee and Mr. Miller is independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

The duties and responsibilities of the Governance Committee are established by the Board and include the following:

- annually review and make recommendations to the Board for consideration regarding the CEO's short-term and long-term corporate objectives and performance measurement indicators;
- annually: (i) evaluate the performance of the CEO considering the position description of the CEO and the CEO's short-term and long-term corporate objectives and performance measurement indicators; and (ii) recommend annual CEO compensation, including a long-term incentives component determined considering the Corporation's performance and relative shareholder returns and the value of similar incentive awards to CEOs at comparable companies. Based on this evaluation, make recommendations to the independent directors of the Board for consideration. The independent directors have sole authority to determine annual CEO compensation;
- annually review the level and form of compensation of the Corporation's directors, considering peer practices and the duties and responsibilities of the directors and recommend any changes to the Board for consideration;
- annually review the level and form of compensation of the Chair of the Board, considering peer practices and the duties and responsibilities of the Chair and recommend any changes to the Board for consideration;
- annually review the recommendations of the CEO concerning overall compensation and other conditions of employment of executive management and other key personnel, other than the CEO, and make recommendations to the Board for consideration;
- review and recommend to the Board for consideration any significant changes to the overall compensation program and the Corporation's objectives related to executive compensation;
- regularly review all incentive compensation plans and equity-based plans and make recommendations to the Board for consideration; and

- review management's proposals for grants of equity-based incentives and make recommendations to the Board for consideration.

In addition to *ad hoc* requirements and informal discussions throughout the year, the Governance Committee formally met 8 times in 2018 to consider and make recommendations to the Board in respect of compensation matters for the 2017 year (which review also included a review of the compensation discussion and analysis of the Corporation in respect of the 2017 year). In addition, the Governance Committee met on April 4, 2019 and April 9, 2019 to review the Circular for the Meeting (including a review of the compensation discussion and analysis of the Corporation in respect of the 2018 year).

Corridor relies on the experience and expertise of its Governance Committee, as supplemented from time to time with advice from independent consultants, in determining its compensation plans and practices.

The members of the Governance Committee have skills and experience that are relevant to their responsibilities in executive compensation. Mr. Foster has experience as a result of his acting as a director of Corridor since 1998 and Chairman since 2006, in addition to experience derived from acting as counsel to corporations in respect of oil and gas mergers and acquisitions, securities laws and corporate finance. Mr. McKee has experience from acting in senior finance roles of various public and private companies. Mr. Miller has compensation experience based in large part from acting as president of the Corporation, where he regularly oversaw human resources matters. Refer to "*Particulars of the Matters to be Acted Upon at the Meeting – Election of Directors – Director Information*" for information regarding the skills and experience of the members of the Governance Committee. In connection with their various responsibilities, these directors have also implemented or managed, or assisted with the management of, compensation policies and practices, including wage policies, components of management compensation, succession plans and share based incentive plans.

Compensation Philosophy and Objectives

The compensation program is designed to encourage behavior and performance among Corridor's key personnel, including its executive officers, which the Governance Committee believes is in the best interest of Shareholders.

The objectives of Corridor's compensation program are to: (i) keep compensation consistent with Corridor's strategic business and financial objectives and competitive within the oil and gas industry and the local market; and (ii) enable Corridor to attract, motivate, and retain executive officers and key personnel to maximize return to Shareholders.

The compensation program is also structured so as to provide executive officers and key personnel with a competitive income, to create meaningful incentives for these personnel to remain at Corridor and not be unreasonably susceptible to recruiting efforts by competitors of Corridor, and to align the interests of this group of personnel with those of Corridor's shareholders. Corridor's compensation program and the magnitude of its specific components reflect the competitive nature of the oil and gas industry. Further, although the principles described above generally apply to all key personnel, the Governance Committee also intends that individual performance by executive officers and key personnel be rewarded.

Elements of Corridor's Compensation Program

Overall remuneration of each executive officer is determined having regard to individual measures such as the officer's current responsibilities, individual performance and years of experience, as well as broader corporate financial and operational performance. Consideration is also given to the Corporation's current stage of development, competition within the industry for experienced proven management personnel and available industry compensation surveys. Ultimately, the Corporation's compensation practices are designed, revised and adjusted with performance enhancement as the primary objective.

Corridor's compensation program currently consists of five primary components: (i) an annual base salary, (ii) bonus payments, (iii) periodic grants of long-term incentives in the form of stock options granted pursuant to the Stock Option Plan, (iv) an employee share purchase plan, and (v) other typical benefits and any perquisites.

The purpose of base salary is to create cash compensation for executive officers that is competitive in the industry and will enable Corridor to attract, motivate and retain capable executives. Corridor chooses to make bonus payments because it believes that rewarding employees based on both corporate and individual performance furthers the interests of Shareholders. The purpose of Corridor's long-term incentives is to align the executive officers' compensation with their contribution to the success of Corridor in creating shareholder value, tie their long-term economic interest directly to those of Corridor's shareholders, and provide a retentive effect on the executive officers. Stock options also allow executive officers to have equity ownership in Corridor in addition to their direct purchases of Common Shares and to share in the appreciation in value of Common Shares over time.

Compensation payable for the Corporation's executive officers (other than the Chief Executive Officer) are recommended by the Chief Executive Officer, reviewed by the Governance Committee and recommended to the Board, and approved by the Board. Compensation of the Chief Executive Officer is considered and recommended by the Governance Committee and approved by the Board. The compensation of the Chief Executive Officer is based on the same criteria as are applied to the other executive officers of the Corporation.

The Governance Committee believes that the criteria behind the Corporation's compensation decisions are appropriate and effective to make overall compensation levels competitive to attract and retain quality executive officers and key employees but not excessive or out-of-step with market realities.

The total compensation, including the base salary, bonus payments and the fair value of stock options, paid to the named executive officers (as defined herein) for 2018, 2017 and 2016 is set forth in the "*Summary Compensation Table*".

Consistent with market conditions, increases in compensation have, in general, consisted of cost of living increases in annual salaries (no such cost of living adjustments were made in 2016) and option grants and bonus payments, as discussed below.

Base Salary

The purpose of base salary is to create cash compensation for executive officers that is competitive in the industry and will enable Corridor to attract, motivate and retain capable executives.

Corridor believes that the employment agreement with the Chief Executive Officer and the change of control agreement with the Chief Financial Officer promote stability and continuity, particularly if the situation arises where Corridor is actively being considered as an acquisition target.

Consistent with market conditions, the Board has determined, in general, not to increase the base salary of employees (including Named Executive Officers), other than nominal increases in annual salaries to recognize cost of living allowances (no such cost of living adjustments were made in 2016).

Bonus Payments

Bonus payments are made on a discretionary basis and are intended to recognize and reward employees when corporate and individual performance exceed expectations. By placing emphasis on variable compensation, the Corporation aims to tie a portion of the total executive compensation package to

increases in the Corporation's performance and the value of the Common Shares. See "*Executive Compensation – Performance Graph*".

The Board has determined to approve bonus payments to employees, including Named Executive Officers, for achieving key financial and operating objectives as well as to recognize strong individual performance.

Long-Term Incentive Awards

Effective March 27, 2008, the Corporation adopted the amended and restated stock option plan (the "**Stock Option Plan**"), which plan was approved by the Shareholders at the annual and special meeting of Shareholders held on May 15, 2008. See "*Executive Compensation – Stock Option Plan*". Stock options are awarded by the Board on the recommendation of the Governance Committee or the Chief Executive Officer, as applicable. See "*Executive Compensation - Stock Option Plan*".

The grants of stock options under the Stock Option Plan are designed to align the interests of the Corporation's employees (including its executive officers) with shareholders by linking a component of compensation to the Corporation's share performance.

The Corporation generally grants stock options as part of the Board's annual review of compensation payable. In 2018, in awarding option grants, the Board recognized that many options previously granted were significantly 'out of the money' and thus no longer achieving the goals of the Stock Option Plan.

- In 2014, the Corporation agreed to grant an aggregate 1,060,000 stock options to Mr. Moran to induce Mr. Moran to agree to become the President of the Corporation, which obligation is set forth in Mr. Moran's employment agreement.
- In 2018, the Board granted options to employees (inclusive of Executive Officers), as follows: (i) on August 28, 2018, the Board granted 717,500 stock options with an exercise price of \$0.68 as a component of the Board's review of compensation payable in respect of the 2016 financial year (Note that such grant had been delayed due to an internal trading blackout in effect); and (ii) on December 21, 2018, the Board granted 1,065,000 stock options with an exercise price of \$0.72 as a component of the Board's review of compensation payable in respect of the 2017 financial year.

During the year ended December 31, 2018, 244,166 options were exercised under Corridor's Stock Option Plan.

Employee Share Purchase Plan

The Corporation adopted the employee share purchase plan to encourage employees, including executive officers, to accumulate savings through the ownership of Common Shares. Under this plan, eligible employees who elect to enroll in the plan may, generally, make contributions up to 10% of their eligible earnings and the Corporation will match such contributions, which aggregate contributions will be used to purchase Common Shares.

Other Benefits and Perquisites

The executive officers also participate in other group benefit plans and perquisites (life, disability, health and dental insurance, parking and gym memberships) that are available to all employees of the Corporation, and which are comparable to those offered to industry peers. The Governance Committee did not make any changes to the other perquisites that the executive officers received during 2018.

Risks of Compensation Policies and Practices

The Governance Committee considers annually the implication of the risks associated with the Corporation's compensation policies and practices. The Corporation's compensation policies and practices focus on long-term incentives to mitigate the risk of encouraging short-term goals at the expense of long-term sustainability. The discretionary nature of bonus payments and option grants under the Stock Option Plan are significant elements of the Corporation's compensation plans and provide the Board and the Governance Committee with the ability to reward historical performance and behavior that the Board and the Governance Committee consider to be aligned with the Corporation's best interests.

Financial Instruments

The Corporation has adopted a policy that prohibits executive officers and directors from speculating in the Corporation's securities and from engaging in short selling or trading in puts or calls of securities of the Corporation. Otherwise, the Corporation does not have a policy restricting the ability of an executive officer or director from purchasing financial instruments (including pre-paid 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 (or options in respect thereof) of the Corporation granted as compensation or held, directly or indirectly, by the executive officer or director. In 2018, none of the executive officers or directors purchased such financial instruments.

Compensation Practices Review

Given the decisions made relating to the Corporation's compensation policies and practices in 2016, 2017 and 2018 and also given current market conditions, the Board does not anticipate making any significant changes to its compensation policies or practices in 2019.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid to the President and Chief Executive Officer of Corridor, the Chief Financial Officer of Corridor, the Exploitation Engineer and the Manager - New Brunswick Production and Operations (collectively, the "**Named Executive Officers**"). While the President and Chief Executive Officer and the Chief Financial Officer are the only executive officers of Corridor, each of the Exploitation Engineer and the Manager - New Brunswick Production and Operations act in a similar capacity as an executive officer and had total compensation of more than \$150,000 for the financial year ended December 31, 2018 and, accordingly, are identified as Named Executive Officers in this Circular. No other employees of Corridor had compensation of more than \$150,000 for the financial year ended December 31, 2018.

Name and principal position	Year	Salary (\$)	Share-based awards ⁽¹⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation		Pension value ⁽⁴⁾ (\$)	All other compensation ⁽⁵⁾ (\$)	Total compensation (\$)
			(\$)	(\$)	Annual incentive plans	Long-term incentive plans ⁽³⁾			
Steve Moran	2018	287,575	-	197,362	-	-	-	28,758	513,695
President and Chief Executive Officer	2017	285,215	-	31,266	-	-	-	28,334	344,815
	2016	281,000	-	35,632	-	-	-	28,100	344,732
Lisette Hachey	2018	180,806	-	109,693	20,000	-	-	-	310,499
Chief Financial Officer	2017	182,700	-	19,541	12,500	-	-	-	214,741
	2016	180,000	-	30,473	9,000	-	-	-	219,473
Andrea Creemer	2018	128,551	-	74,283	23,000	-	-	13,304	239,138
Exploitation Engineer	2017	131,950	-	9,771	23,000	-	-	13,108	177,829
	2016	130,000	-	15,236	7,500	-	-	13,000	165,736
Dave Graves ⁽⁶⁾	2018	161,365	-	57,066	15,000	-	-	-	233,431
Manager – New Brunswick Production and Operations	2017	160,829	-	-	7,500	-	-	-	168,329
	2016	66,396	-	-	-	-	-	-	66,396

Notes:

- (1) Corridor has not granted any share-based awards to any Named Executive Officers.
- (2) The grant date fair value of the options in the table above was calculated using the Black-Scholes-Merton model, which is the fair value determined in accordance with International Financial Reporting Standards. For 2018, this calculation was based on a risk-free interest rate of 2.0%, an expected life of 4.0 years and an expected volatility of 68%. For 2017, this calculation was based on a risk-free interest rate of 0.9%, an expected life of 3.7 years and an expected volatility of 69%.
- (3) Corridor does not have any non-equity long-term incentive plans.
- (4) Corridor does not have any defined benefit or defined contribution plans or any plans that provide for the payment of pension plan benefits.
- (5) Includes amounts payable at December 31, 2018, 2017 and 2016 towards the purchase of Common Shares relating to the Corporation's matching of the employee share purchases during the applicable year in connection with the Corporation's employee share purchase plan.
- (6) Mr. Graves was appointed as Manager – New Brunswick Production and Operations on August 2, 2016 and he retired from that role effective February 19, 2019, at which time Mr. Alan Archibald was hired as Manager – New Brunswick Production and Operations

The fair value of the options, as set forth in the table above, is the 'grant date fair value' and is calculated in accordance with the Black-Scholes-Merton model, which is a permitted methodology and the basis for the accounting treatment of Corridor in its financial statements. The resulting fair value is an estimate of the value which may ultimately be received based on the historical volatility in the Corporation's share price. It is important to note that the actual value realized pursuant to stock option awards may be greater or less than the indicated value and, in recent years, has been lower than the value indicated in the Summary Compensation Table.

Incentive Plan Awards

The following table sets forth information regarding all option-based awards outstanding as at December 31, 2018 for each Named Executive Officer. Corridor has not granted any share-based awards to any Named Executive Officers.

Option-Based Awards⁽¹⁾

Name	Option-based Awards			Value of unexercised in-the-money options ⁽²⁾ (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	
Steve Moran	900,000 ⁽³⁾	1.24	November 17, 2019	-
	160,000 ⁽³⁾	0.40	February 11, 2021	42,666
	120,000	0.52	April 10, 2021	22,400
	215,000	0.68	August 28, 2022	8,600
	315,000	0.72	December 21, 2023	-
Lisette Hachey	102,500	0.40	April 30, 2020	41,000
	75,000	0.52	April 10, 2021	14,000
	142,500	0.68	August 28, 2022	5,700
	155,000	0.72	December 21, 2023	-
Andrea Creemer	55,000	0.40	April 30, 2020	22,000
	37,500	0.52	April 10, 2021	7,000
	85,000	0.68	August 28, 2022	3,400
	115,000	0.72	December 21, 2023	-
Dave Graves	57,500	0.68	August 28, 2022	2,300
	95,000	0.72	December 21, 2023	-

Notes:

- (1) Corridor has not granted any share-based awards to any Named Executive Officers.
- (2) Calculation is based on the number of options which have vested and a share price of \$0.80, which is the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") on December 31, 2018.
- (3) Options were granted to Mr. Moran as part of his employment agreement with the Corporation.

The following table sets forth the dollar value that would have been realized if options had been exercised on the vesting date during the year ended December 31, 2018.

Incentive Plan Awards – Value Vested or Earned During the Year⁽¹⁾

Name	Option-based awards – Value vested during the year (\$)
Steve Moran	23,733
Lisette Hachey	17,500
Andrea Creemer	8,750
Dave Graves	-

Note:

- (1) Corridor has not granted any share-based awards to any Named Executive Officers.

During the year ended December 31, 2018, 67,500 options were exercised by Named Executive Officers.

Stock Option Plan

Corridor's stock option plan, the amended and restated stock option plan (the "**Stock Option Plan**") dated effective March 27, 2008, was approved by Shareholders at the annual and special meeting of Shareholders held on May 15, 2008. Under the Stock Option Plan, the Board may, from time to time, issue options ("**Options**") to directors, officers and employees of Corridor (and its affiliates) and persons who provide services to Corridor (and its affiliates). On May 12, 2014, the Board, upon the recommendation of the Governance Committee, determined that non-employee directors would no longer be eligible to receive any Options as a component of their compensation.

Pursuant to the Stock Option Plan, Options may only be granted to persons or corporations ("**Eligible Optionees**") who: (a) are (i) employees (full-time or part-time), officers or directors of Corridor (or one or more of its affiliates), or (ii) consultants who are engaged to provide services to Corridor (or one or more of its affiliates) on an on-going basis under a written contract with Corridor (or one or more affiliates), who devote or are expected to devote a significant amount of time and attention to the business and affairs of Corridor (or one or more of its affiliates) and who are engaged to provide services for an initial, renewal or extended period of 12 months or more, and (b) the Board selects for participation in the Stock Option Plan. Options may also be granted to corporations that are controlled by an Eligible Optionee.

The maximum number of Common Shares reserved for issuance pursuant to Options granted under the Stock Option Plan is set at 8,262,513 (the "**Option Threshold**"), which represented 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis) as at April 10, 2008. As at April 2, 2019, 3,467,682 Common Shares remain issuable under the Stock Option Plan, representing 3.9% of the issued and outstanding Common Shares (calculated on a non-diluted basis). For the years ended December 31, 2016, 2017 and 2018, the annual burn rate of the Stock Option Plan, as calculated in accordance with Section 613(p) of the TSX Company Manual, was 0.9%, 0.6% and 2.0%, respectively.

The Stock Option Plan provides that all grants of Options thereunder will be subject to the following terms and conditions: (a) an Eligible Optionee may hold more than one Option at any time; however, no one Eligible Optionee will be granted Options that, when combined with any other security based compensation arrangement, would entitle the Eligible Optionee to purchase more than 5% of the total number of issued and outstanding Common Shares; (b) the number of Common Shares reserved at any time for issuance to insiders pursuant to Options, when combined with the number of Common Shares issued to insiders pursuant to any other security based compensation arrangement, will not exceed 10% of the total number of issued and outstanding Common Shares; (c) there may not be issued to insiders, within a one-year period, a number of Common Shares that, when combined with the number of Common Shares issued to insiders pursuant to any other security based compensation arrangement, would exceed 10% of the total number of issued and outstanding Common Shares; and (d) there may not be issued to any one insider and such insider's associates, within a one-year period, a number of Common Shares that, when combined with the number of Common Shares issuable to such insider and such insider's associates pursuant to any other security based compensation arrangement, would exceed 5% of the total number of issued and outstanding Common Shares. The forgoing limits may be calculated on a diluted basis with the consent of the TSX.

The exercise price of each Option will be determined in the discretion of the Board at the time the Option is granted, provided that the exercise price will not be lower than the "Market Price". For purposes of the Stock Option Plan, "Market Price" means the closing price of the Common Shares on the TSX on the last trading day prior to the date the Option is granted for which there was a closing price on the TSX; provided that in the event the Common Shares are not listed on any exchange, the Market Price will be such price as is determined by the Board.

All Options granted under the Stock Option Plan will be subject to a fixed term and will be exercisable from time to time as determined in the discretion of the Board at the time of the grant, provided that no Option will have a term exceeding five years (or such longer period as is permitted by the TSX).

Unless otherwise determined by the Board, if any Option is scheduled to expire (a) at a time when the holder of the Option is subject to restrictions on trading securities of Corridor under a trading "blackout" established by Corridor, or (b) within five business days after the termination of such blackout period, the Option will, notwithstanding the scheduled expiry date of such Option, expire as of the date that is 10 business days following the end of such applicable blackout period and shall be exercisable by the holder at any time up to the applicable time on such revised expiry date.

In the event that an Eligible Optionee ceases to hold the position of director, officer or employee of Corridor (or any of its affiliates) or a service provider to Corridor (or any of its affiliates) for any reason whatsoever (other than as a result of death, incapacity, termination with cause or permanent disability), the unvested portion of the Option shall expire and terminate immediately and the vested portion of the Option will terminate on the earlier of its expiry date and 90 days after such cessation. In the event of the death, incapacity or permanent disability of an Eligible Optionee, the vested portion of the Option will terminate on the earlier of its expiry date and 12 months after the date of death, incapacity or permanent disability of the Eligible Optionee.

At or after the time that any fully vested Option could be exercised by an Eligible Optionee, the Eligible Optionee may elect to surrender, at his or her option, in whole or in part, his or her rights under any Option by written notice to the Corporation stating that such Eligible Optionee wishes to surrender his or her Option in exchange for a payment equal to the positive difference between the Exchange Date Price (as defined below) and the exercise price of the Option in respect of each Common Share that would otherwise be issued upon exercise of such Option (or portion of such Option) surrendered. The Board has the sole discretion to consent or disapprove of the election of the Eligible Optionee to receive cash. If the Board disapproves of the election, the Participant may (i) exercise the Option under the Stock Option Plan or (ii) retract the request to surrender such Option and retain the Option. The Corporation will withhold from the amount otherwise payable such amounts as may be required to be withheld under applicable law. "**Exchange Date Price**" means a price per Common Share equal to the closing price of the Common Shares on the stock exchange on the last trading day prior to the date the Option was surrendered by the Eligible Optionee or if the Common Shares are not then listed on any stock exchange, the Exchange Date Price shall be determined by the Board.

Options granted under the Stock Option Plan are not assignable or transferable by an Eligible Optionee, except for: (i) a limited right of assignment to allow the exercise of Options by an Eligible Optionee's heirs, executor or legal representative (as the case may be) in the event of death, incapacity or permanent disability; and (ii) with the approval of the Board and the TSX, a right to transfer such Options to a corporation controlled by the Eligible Optionee and wholly-owned by the Eligible Optionee or his spouse or children (or any of them).

The Board has the right to amend the Stock Option Plan and to suspend, terminate or discontinue the Stock Option Plan. Any amendments to the Stock Option Plan are subject to the approval of applicable regulatory authorities, including the TSX. Any amendment to the Stock Option Plan shall take effect only with respect to Options granted after the effective date of such amendment, provided that an amendment may apply to any outstanding Options with the mutual consent of Corridor and the Eligible Optionees to whom such Options were granted.

Under the Stock Option Plan, the Board has the power and authority to approve amendments to the Stock Option Plan (or to Options), without further approval of the Shareholders, including, without limitation, to the extent that such amendment: (a) is for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan; (b) is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed; (c) is an amendment respecting administration or eligibility for participation under the Stock Option Plan; (d) changes the terms and conditions on which Options may be or have been granted pursuant to the Stock Option Plan, including

changes to the vesting provisions and the term of any Option; (e) changes the termination provisions of an Option or the Stock Option Plan in a manner that does not entail an extension of such Option beyond its original expiry date (except in respect of a revised expiry date established in light of the existence of any trading "blackout", as described above); or (f) is an amendment to the Stock Option Plan of a "housekeeping" nature; provided that in the case of any amendment referred to in paragraph (a) or (b) above, the amendment does not: (i) change the number of Common Shares issuable under the Stock Option Plan; (ii) add any form of financial assistance by Corridor for the exercise of any Option; (iii) result in material or unreasonable dilution in the number of outstanding Common Shares or any material benefit to an Eligible Optionee; or (iv) change the class of eligible participants under the Stock Option Plan if such change would have the potential of broadening or increasing participation by insiders of Corridor.

Subject to any required regulatory approvals, the Board may amend the term of any Option (which in no event shall exceed five years from the date of grant (or such longer period as is permitted by the TSX)) and the termination provisions of Options granted pursuant to the Stock Option Plan without shareholder approval, provided that if the Board proposes to increase the Option Threshold, reduce the exercise price for Options granted to insiders or extend the term of any Option granted to an insider of Corridor pursuant to the Stock Option Plan (unless the extension is in respect of a revised expiry date established in light of the existence of any trading "blackout", as described above), such amendments will require Shareholder approval.

Pension Plan Benefits

Corridor has not adopted any retirement plan or pension plan.

Termination and Change of Control Benefits

None of the Named Executive Officers has an employment agreement with the Corporation, other than an agreement with Steve Moran, Chief Executive Officer of the Corporation, and a change of control agreement with Lisette Hachey, Chief Financial Officer of the Corporation. Each such agreement is for an indefinite term.

Pursuant to the employment agreement with Mr. Moran, upon the termination of Mr. Moran's employment, for any reason in the absence of cause, Mr. Moran shall be entitled to receive: (i) a lump sum amount equal to the product of 24 times the monthly salary as at the termination date plus (ii) a further lump sum amount equal to 10% (to recognize the loss of benefits) of such lump sum payment plus (iii) an amount equal to all outstanding and accrued vacation pay as at the termination date, all of which is estimated at \$645,000 as of the date hereof. In the event of a change of control of the Corporation, Mr. Moran may terminate his employment with the Corporation within 60 days of the occurrence of the change of control, in which case the Corporation shall be required to pay Mr. Moran: (i) a lump sum equal to the product of the monthly salary paid as at the termination date multiplied by a factor of 18, with such factor increasing by two for each additional completed year of service up to a maximum of 24, plus (ii) a further lump sum amount equal to 10% of such lump sum payment (to recognize the loss of benefits), plus (iii) a further lump sum payment equal to the greater of (a) the amount of any cash bonus received from the Corporation in the immediately preceding calendar year, and (b) the average of the amount of any cash bonus received from the Corporation in the two immediately preceding calendar years (as compensation for the loss of any entitlement under any bonus plan then in existence), plus (iv) all outstanding and accrued vacation pay as at the termination date, all of which is estimated at \$645,000 as of the date hereof.

Pursuant to the change of control agreement with Ms. Hachey, upon a change of control of the Corporation where, within the 12 month period following the change of control, there is any fundamental adverse change or series of changes in the employment of Ms. Hachey, Ms. Hachey may elect to terminate her employment within 90 days of such event and the Corporation will be required to pay Ms. Hachey a lump sum equal to

the product obtained from multiplying the monthly salary paid for the month immediately preceding the date of termination by a factor of 18, which is estimated at \$280,000 as of the date hereof.

Directors Compensation

Unless otherwise determined by the Board, the compensation of directors is generally limited to: (i) annual retainers of \$40,000 payable to each director, other than the Chairman who receives an annual retainer of \$90,000 to recognize the significant role of, and time dedicated to, advancing the interests of the Corporation; (ii) the discretionary grant of deferred share units ("**DSUs**") under the deferred share unit plan ("**the DSU Plan**") for directors; and (iii) reasonable travel expenses.

Mr. Fräss-Ehrfeld has elected not to receive any compensation in his capacity as a director of the Corporation. Mr. Moran, the President and Chief Executive Officer of the Corporation, does not receive compensation for his services as a director of the Corporation.

Summary Compensation Table – Directors

The following table sets forth information concerning the total compensation payable to each director of the Corporation for the financial year ended December 31, 2018, other than Mr. Moran, who did not receive any compensation in his capacity as a director of Corridor.

Name and principal position	Fees Earned (\$)	Share-based awards (Deferred Share Units " DSUs ") ⁽¹⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation		Pension value ⁽⁴⁾ (\$)	All other compensation (\$)	Total compensation (\$)
		(\$)	(\$)	Annual incentive plans	Long-term incentive plans ⁽³⁾			
J. Douglas Foster ⁽⁶⁾	90,000	24,668	-	-	-	-	-	114,668
Martin Fräss-Ehrfeld	-	-	-	-	-	-	-	-
Phillip R. Knoll ⁽⁶⁾	40,000	24,668	-	-	-	-	-	64,668
James S. McKee ^{(5), (6)}	-	64,668	-	-	-	-	-	64,668
Norman W. Miller	40,000	-	-	-	-	-	-	40,000
Robert D. Penner	40,000	-	-	-	-	-	-	40,000

Notes:

- (1) On May 12, 2014, the Board adopted the deferred share unit plan (the "**DSU Plan**"). As at this time, the DSUs do not entitle holders thereof to any Common Shares upon redemption, but rather a cash payment.
- (2) Corridor did not grant any stock options to non-employee directors in 2018, 2017 or 2016. On May 12, 2014, the Board determined that non-employee directors would no longer be eligible to receive any grants of stock options.
- (3) Corridor did not have any non-equity long-term incentive plans prior to the adoption of the DSU Plan for Directors, on May 12, 2014.
- (4) Corridor does not have any defined benefit or defined contribution plans or any plans that provide for the payment of pension plan benefits.
- (5) Mr. McKee elected to receive his directors' fees payable in 2018 in the form of DSUs. Mr. McKee received 58,350 DSUs at an average price of \$0.69, being the weighted average closing price of the Common Shares on the five trading days immediately prior to the date of grant of the DSUs on the last day of each quarter end. These DSUs do not entitle Mr. McKee to any Common Shares upon redemption, but rather a cash payment.
- (6) In November 2017, the Board established a special committee to investigate a broad range of potential opportunities to deploy the Corporation's surplus cash, which committee was dissolved in June 2018. The members of this special committee received a fee of \$24,668 in 2018 that was paid through the grant of 37,951 fully vested DSUs. These DSUs do not entitle directors to any Common Shares upon redemption, but rather a cash payment. These DSUs are included in the compensation table.

Director Options and DSUs

On May 12, 2014, the Board determined that non-employee directors would no longer be eligible to receive any grants of stock options. No director of Corridor held any stock options as at December 31, 2018, other than Mr. Moran in his capacity as the President and Chief Executive Officer of Corridor, and no director exercised any stock options in 2018.

The following table sets forth information regarding all share-based awards held by each director as at December 31, 2018, other than Mr. Moran.

Name	DSUs⁽¹⁾		
	Number of DSUs that have not vested (#)	Market or payout value of DSUs that have not vested (\$)	Market or payout value of vested DSUs not paid out or distributed (\$)⁽⁴⁾
J. Douglas Foster ⁽³⁾	-	-	30,361
Martin Fräss-Ehrfeld	-	-	-
Phillip R. Knoll ⁽³⁾	-	-	30,361
James S. McKee ^{(2), (3)}	-	-	249,657
Norman W. Miller	-	-	-
Robert D. Penner	-	-	-

Notes:

- (1) On May 12, 2014, the Board adopted the DSU Plan. The DSUs granted under the DSU Plan do not entitle any holder to any Common Shares upon redemption, but rather a cash payment.
- (2) In each of 2016, 2017 and 2018, Mr. McKee has elected to receive his directors' fees in the form of DSUs.
- (3) In November 2017, the Board established a special committee to investigate a broad range of potential opportunities to deploy the Corporation's surplus cash, which committee was dissolved in June 2018. The members of this special committee received a fee in 2018 that was paid through the grant of fully vested DSUs.
- (4) Calculation is based on vested DSUs at a share price of \$0.80, which was the closing price of the Common Shares on the TSX on December 31, 2018.

No directors realized any value upon vesting of any DSUs during the year ended December 31, 2018. While the DSUs vested immediately upon grant, the holders of DSUs will not realize the value of their DSUs (based on a share price of \$0.80 which is the closing price of the Common Shares on the TSX on December 31, 2018) until redemption. See "*Deferred Share Unit Plan for Directors*".

Director Share Ownership Guidelines

On May 12, 2014, the Board adopted minimum share ownership guidelines for directors, which guidelines provide that, subject to a determination otherwise by the Board in its discretion, each director (other than a director who is a director nominee of a Shareholder who otherwise satisfies the Director Share Ownership Guidelines) is required to beneficially own or control or direct, directly or indirectly, Common Shares (which may include holdings of vested DSUs of the Corporation (as described below under "*Deferred Share Unit Plan for Directors*")) with a value of not less than three times the annual retainer paid to such director (with any employee directors deemed to receive the basic annual retainer paid to other directors), based on the market price of the Common Shares, which ownership threshold is to be achieved by each director within a three year period from the later of the effective date of the Director Share Ownership Guidelines and the date the director becomes a director of the Corporation. Compliance with the Director Share Ownership Guidelines is measured on the first trading day of each calendar year, using the director's annual retainer then in effect and the weighted average closing price of the Common Shares on the five trading days immediately prior to such date.

Once the Governance Committee determines that a director satisfies the minimum share ownership requirements set forth in the Director Share Ownership Guidelines, the director shall be deemed to continue to comply with such minimum share ownership requirements, provided that, subsequent to such determination by the Governance Committee: (i) the Common Shares (inclusive of vested DSUs granted under the DSU Plan for Directors) beneficially owned or controlled or directed, directly or indirectly, by the director would satisfy the applicable minimum share ownership requirements set forth in the Director Share Ownership Guidelines if the calculation of the value of such Common Shares (inclusive of vested DSUs) is based on the weighted average closing price of the Common Shares on the five trading days immediately prior to the date the Governance Committee determines that the director satisfied the applicable minimum share ownership requirements; and (ii) the Board does not increase the minimum share ownership requirements set forth in the Director Share Ownership Guidelines.

Each of the directors is in compliance with the guidelines and satisfies the minimum share ownership requirements under the guidelines.

Deferred Share Unit Plan for Directors

On May 12, 2014, the Board adopted a deferred share unit plan for directors (the "**DSU Plan**"). The DSU Plan will be administered by the Board based upon recommendations by the Governance Committee.

The DSU Plan authorizes the Board to grant DSUs to directors. The purpose of the DSU Plan is to promote a greater alignment of interests between directors and Shareholders; to provide a compensation system for directors that, together with the other director compensation mechanisms of the Corporation, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board; to assist the Corporation to attract and retain individuals with experience and ability to act as directors; and to allow directors to participate in the long-term success of the Corporation.

A DSU is a phantom unit granted to a director that is represented by a bookkeeping entry on the books of the Corporation, the value of which on any particular date is equal to the weighted average trading price of the Common Shares on the TSX over the five trading days preceding such date.

Each DSU of a director that is vested will automatically be redeemed on the third business day (the "redemption date") after the later of the date the director ceases to be a director of the Corporation (or an affiliate) and, if applicable, an employee of the Corporation (or an affiliate). Each such vested DSU will be redeemed for a cash payment with the redemption value of each DSU equal to the weighted average trading price of the Common Shares on the TSX over the five trading days preceding the redemption date, less applicable withholding taxes, which payment will be made as soon as practicable and in no event later than 60 business days after the applicable redemption date. Subject to the terms of the DSU Plan and the receipt of all necessary Shareholder approvals as required under the rules, regulations and policies of the TSX, the Corporation may, in lieu of the cash payment, elect to issue the number of whole Common Shares that is equal to the number of whole DSUs recorded in the director's account on the redemption date, less applicable withholding taxes. If the redemption date occurs during a blackout period or within three business days of the expiry of a blackout period, then the redemption date shall be the 10th business day after expiry of the blackout period. All DSUs which are not vested as at the redemption date shall be terminated for no consideration.

Under the DSU Plan, the Corporation will automatically grant DSUs to each director in satisfaction of payment of a portion of such director's annual retainer with such portion of the automatic DSU retainer to be determined by resolution of the Board. If the Governance Committee has determined that a director has achieved the minimum share ownership requirements, the director will not automatically receive any DSUs in satisfaction of the director's annual retainer.

In addition, a director may elect to receive a portion of his annual retainer and other fees, if any, for serving as a director of the Corporation (or an affiliate) in the form of DSUs in lieu of cash. Under the DSU Plan, all such DSUs are granted and allocated to a notional account on a quarterly basis, and each such DSU will be fully vested upon the date of grant.

In addition to DSUs granted in respect of the automatic DSU retainers and the electable DSU retainers, the Board may grant further "discretionary" DSUs to a director in such number as it considers appropriate, in respect of the services the director renders to the Corporation as a director of the Corporation (or an affiliate), which DSUs may be subject to vesting conditions.

DSUs may be adjusted if there is a subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares; or a consolidation, amalgamation, arrangement or other form of business combination of the Corporation with another person, or a sale, lease, or exchange of all or substantially all of the Corporation's property or other distribution of the Corporation's assets to shareholders, other than the payment of dividends in respect of Common Shares. In such a case, the DSU account of each director and the DSUs outstanding under the DSU Plan shall be adjusted in such manner, if any, as the Board may in its discretion deem appropriate to preserve, proportionally, the interests of directors under the DSU Plan.

The Board may amend, suspend or terminate the DSU Plan, or any portion thereof, without shareholder approval, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX, if any, that require the approval of Shareholders or any governmental or regulatory body be obtained). The Board may not, without the consent of any affected holder of a DSU, alter or impair any of the rights or obligations under any DSUs previously granted under the DSU Plan. Any amendment, suspension or termination of the DSU Plan shall be such that the DSU Plan and the DSUs granted thereunder continuously satisfy the requirements of paragraph 6801(d) of the regulations to the *Income Tax Act*. The DSU Plan will finally cease to operate for all purposes when the last remaining director receives payment in respect of all DSUs recorded in the director's account.

In 2018, DSUs were granted to Mr. McKee as payment of his directors' fees payable in 2018 and to certain directors as payment of a fee in respect of a special committee of directors, as set forth in the "*Summary Compensation Table – Directors*". These DSUs do not entitle the directors to any Common Shares upon redemption, but rather a cash payment.

Equity Compensation Plan Information

The following table sets forth, as at December 31, 2018, the equity compensation plan of Corridor under which Common Shares are authorized for issuance:

Plan Category⁽¹⁾	Number of Common Shares to be Issued Upon Exercise of Outstanding Options and Rights	Weighted-Average Exercise Price of Outstanding Options and Rights	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation plans approved by securityholders			
Stock Option Plan	3,470,500	0.79	3,467,682
Equity Compensation plans not approved by securityholders ⁽²⁾			
DSU Plan	-	-	-

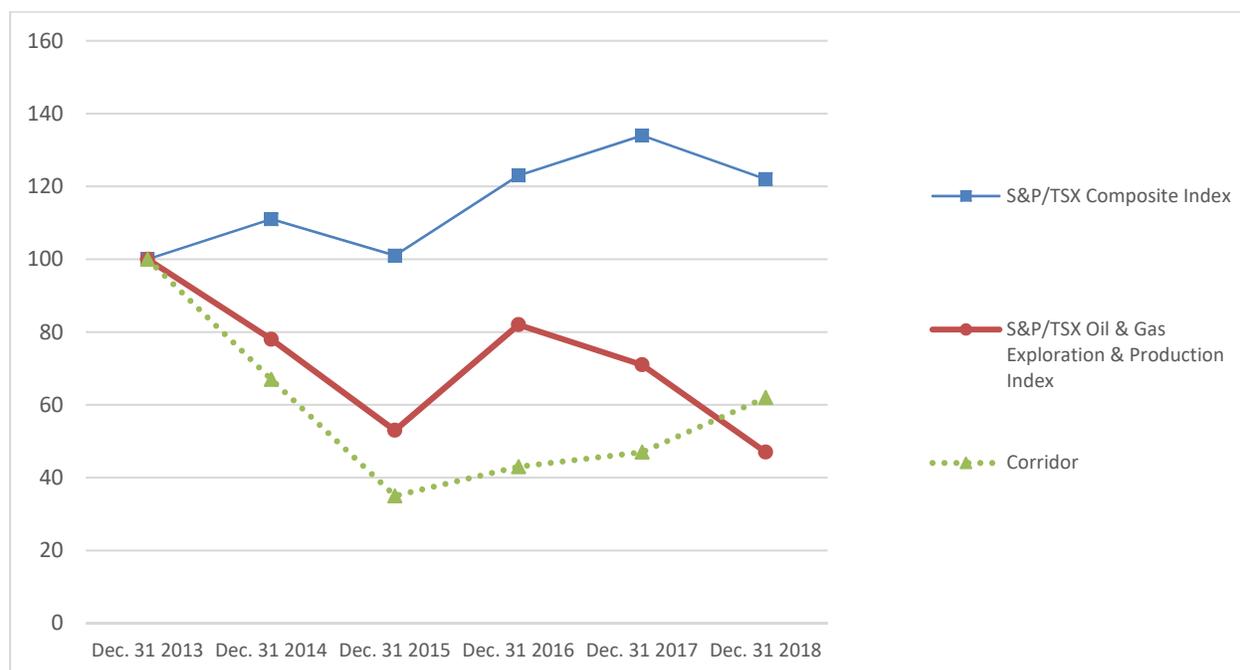
Notes:

- (1) The only compensation plan under which equity securities are authorized for issuance is the Stock Option Plan. See "*Executive Compensation – Stock Option Plan*."
- (2) The Board adopted the DSU Plan in May 2014. These DSUs do not entitle any holder to any Common Shares upon redemption, but rather a cash payment.

Performance Graph

The following performance graph and table illustrates the cumulative return to shareholders of an investment in the Common Shares of the Corporation on December 31, 2013 compared to the cumulative total shareholder return on the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration and Production Index for the five year period ended December 31, 2018.

Total Return on \$100 Investment from December 31, 2013 to December 31, 2018



	Dec. 31 2013	Dec. 31 2014	Dec. 31 2015	Dec. 31 2016	Dec. 31 2017	Dec. 31 2018
● S&P/TSX Composite Index	\$100	\$111.00	\$101.00	\$123.00	\$134.00	\$122.00
● S&P/TSX Oil & Gas Exploration & Production Index	\$100	\$78.00	\$53.00	\$82.00	\$71.00	\$47.00
● Corridor	\$100	\$67.00	\$35.00	\$43.00	\$47.00	\$62.00

The cumulative shareholder return reflects operational and financial performance within Corridor's control and also volatile commodity prices and economic and market conditions beyond Corridor's control. From December 31, 2013 to December 31, 2018, the trading price of the Common Shares decreased by 38% compared to a net decrease of 53% in the S&P/TSX Oil/Gas Exploration/Production Index and a net increase of 22% in the S&P/TSX Composite Index.

While the Corporation responds to the fluctuations in the trading price of its Common Shares and adverse economic and market conditions, it recognizes that compensation of its employees (including executive officers) is based in part on the need to retain and motivate employees and the achievement of certain corporate and individual targets and does not necessarily track the changes in the market value of its

Common Shares. In addition, the grant of stock options under the Stock Option Plan is designed to align the interests of the Corporation's employees with shareholders by linking a component of compensation to the Corporation's share performance.

Consistent with market conditions, Corridor has taken actions to reduce costs, including reducing costs related to the compensation of its employees, inclusive of Named Executive Officers. These actions consist of: (i) transitioning Dr. Martel, the Chief Geologist (a former Named Executive Officer) from his position as a full time employee to a part time employee on April 30, 2015, which resulted in a severance payment of \$112,778; and (ii) terminating Mr. Durling (a former Named Executive Officer) as Chief Geophysicist on April 30, 2015, which resulted in a severance payment of \$232,734. As a result of these actions, total compensation to Corridor's Named Executive Officers decreased by 5% from December 31, 2013 to December 31, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this Circular, no director or executive officer of the Corporation and no person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares (collectively, an "**Informed Person**") and no proposed director of the Corporation or any associate or affiliate of any Informed Person or proposed director, had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction that materially affects or would materially affect the Corporation or any of its subsidiaries.

CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders. The Board views effective corporate governance as an essential element for the ongoing well-being of the Corporation and its Shareholders. With that in mind, the Board reviews the Corporation's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Corporation.

The disclosure of the Corporation's corporate governance practices is presented pursuant to the requirements of National Instrument 58-101 and is set forth in Schedule "A" attached hereto.

PARTICULARS OF THE MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of 2018 Financial Statements

Corridor's financial statements for the financial year ended December 31, 2018 have been forwarded to Shareholders in accordance with applicable regulatory requirements and are available on the Internet on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and on Corridor's website at www.corridor.ca. No formal action will be taken at the Meeting to approve the financial statements. If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

Appointment of Auditors

PricewaterhouseCoopers LLP, Professional Chartered Accountants, is the auditor of the Corporation. PricewaterhouseCoopers LLP was appointed by the Board, upon recommendation of the Audit Committee, as auditors of the Corporation effective March 26, 2010.

Shareholders will be asked at the Meeting to pass an ordinary resolution re-appointing PricewaterhouseCoopers LLP, Professional Chartered Accountants, as auditors of the Corporation to hold

office until the close of the next annual meeting of Shareholders at a remuneration to be determined by the Board.

Unless otherwise directed in the Proxy, the persons named in the accompanying Proxy intend to vote in favour of the ordinary resolution to appoint PricewaterhouseCoopers LLP, Professional Chartered Accountants, of Halifax, Nova Scotia as auditors of Corridor to hold office until the close of the next annual meeting of Shareholders at a remuneration to be determined by the Board.

Election of Directors

Corridor is required by its articles of incorporation to have a minimum of three and a maximum of nine directors. The Board has set the number of directors to be elected at the Meeting at six. Of the current seven directors of Corridor, six directors are standing for re-election at the Meeting, being: J. Douglas Foster, Martin Fräss-Ehrfeld, Phillip R. Knoll, James S. McKee, Norman W. Miller and Stephen J. Moran and their term of office expires at the close of the Meeting. Mr. Robert D. Penner has determined to not stand for re-election and the Board has determined not to replace Mr. Penner at this time. Each nominee has consented to being named in this Circular and to serve as a director if elected. Each elected director will hold office until the close of the next annual meeting or until his or her successor is duly elected or appointed.

The Board does not contemplate that any of the 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, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting on the election of each or specific directors.

Unless otherwise directed in the Proxy, the persons named in the accompanying Proxy intend to vote in favour of the election of directors of Corridor proposed by management as described in the Circular.

Individual director voting

Corridor has adopted individual director voting.

Majority Voting Policy for Directors

The Board has adopted a policy to apply majority voting in uncontested director elections. Further to this policy, if a director receives more withhold than for votes in an uncontested election, such director is required to promptly tender his or her resignation after the meeting. If the subject director does not tender his or her resignation promptly after the meeting, such director will not be nominated for re-election the following year. The resignation will be effective if and when accepted by the Board.

Following receipt of a resignation from the subject director, the Governance Committee will consider whether or not to accept the offer of resignation and, within 45 days of the applicable meeting of Shareholders, recommend to the Board whether or not to accept such resignation. The Board will then consider whether or not to accept the offer of resignation and make its decision within 90 days following the applicable meeting of Shareholders. The Board will accept the resignation of the subject director absent exceptional circumstances, all in accordance with the TSX's majority voting requirements.

The subject director will not participate in any Board or committee deliberations on the matter.

If the Board accepts the resignation of the subject director, Corridor will promptly issue a news release announcing this decision. If the Board does not accept a resignation, the news release will fully state the reasons for that decision.

If the Board accepts the resignation of the subject director, it may appoint a new director to fill the seat in accordance with the provisions of the *Business Corporations Act* (Alberta) and Corridor's articles and by-laws.

Director Information

The following summary sets forth, for each person proposed to be nominated for election as a Director, the following information: name; age; place of residence; independence from Corridor; date since the nominee has been a Director of Corridor; principal occupation; biography; areas of expertise; memberships on committees of the Board (the "**Committees**"); memberships on boards of other public companies; number of Board and Committee meetings attended in 2018; aggregate number of Common Shares (beneficially owned, or controlled or directed, directly or indirectly) as at April 9, 2019 (the date of this Circular) and April 10, 2018 (the date of the Information Circular of the Corporation for the Shareholders' meeting held on May 15, 2018), including the net change in such Common Shares and options and total compensation received for the past two years. This information does not include any information regarding any ad hoc special committees.

Certain information set out below with respect to Director nominees is not within the knowledge of the Corporation and was provided by the respective Director nominees individually.

Mr. J. Douglas Foster

J. Douglas Foster	Principal Occupation	Independent Businessman	
Age: 62 Calgary, Alberta, Canada	Mr. Foster is President of Fostco Holdings Ltd. (private investments). Prior to January 1, 2015, Mr. Foster was a partner in the corporate/commercial department with the Bennett Jones LLP law firm where he had worked since 1983. Mr. Foster has extensive experience in the areas of mergers and acquisitions, privatizations, securities law and corporate debt and equity financings. Mr. Foster received a BBA (1979) and an LLB (1981) from the University of New Brunswick and an LLM in corporate law from New York University (1982).		
Independent Director since: 1998	<i>Areas of Expertise:</i> Corporate finance, mergers and acquisitions and energy		
	<i>Public Board Membership:</i> -		
	<i>Board Committees:</i> Governance Committee Audit Committee		
	Meetings Attended in 2018		#
			%
Chairman since: 2006	Board of Directors	12 of 12	100%
	Audit Committee	3 of 4	75%
	Governance Committee	8 of 8	100%
Securities Held or Controlled⁽²⁾			
	Common Shares (#)	DSUs (#)	Options (#)
April 9, 2019	1,689,512	37,951	-
April 10, 2018	1,689,512	-	-
Net change	-	37,951	-
Value of Total Compensation Received			
	Directors fees (\$)	Share-based awards (\$)	Total Compensation (\$)
Year			
2018	90,000	24,668 (DSUs)	114,668
2017	90,000	-	90,000

Mr. Martin Fräss - Ehrfeld

Martin Fräss - Ehrfeld	Principal Occupation	Independent Consultant	
Age: 43 London, England	Mr. Fräss-Ehrfeld is Chairman of AVE Capital Limited, an investment advisory firm, providing investment services to The Children's Investment Fund Management (UK) LLP, and has been since April 2014. Prior to that, from August 2009 to April 2014, Mr. Fräss-Ehrfeld was a Partner in The Children's Investment Fund Management (UK) LLP. Between August 2001 and July 2009, Mr. Fräss-Ehrfeld was a Principal in the Corporate Private Equity Group of the Blackstone Group in London and New York, prior to which Mr. Fräss-Ehrfeld was at the investment bank, Merrill Lynch.		
Independent			
Director since: June 14, 2011	Between 1995 and 2000, Mr. Fräss-Ehrfeld studied at the Vienna School of Economics (Bachelor in Economics and Languages) and the Ecole Européene des Affaires (Masters with Distinction in Economics and Management).		
	<i>Areas of Expertise:</i> Investment fund management and private equity		
	<i>Public Board Membership:</i> -		
	<i>Board Committees:</i> -		
	Meetings Attended in 2018	#	%
	Board of Directors	1 of 12	8%
	Securities Held or Controlled⁽²⁾		
		Common Shares* (#)	DSUs (#)
			Options (#)
	April 9, 2019	-	-
	April 10, 2018	-	-
	Net change	-	-
	* Mr. Fräss-Ehrfeld provides investment services and recommendations to The Children's Investment Fund Management (UK) LLP which controlled or directed 17,254,949 Common Shares, representing 19.40% of the issued and outstanding Common Shares at April 2, 2019, which shares are owned by Talos Capital Limited. Mr. Fräss-Ehrfeld does not direct or control the investment decisions of The Children's Investment Fund Management (UK) LLP.		
	Value of Total Compensation Received		
	Year	Directors fees (\$)	Share-based awards (\$)
		Total Compensation (\$)	
	2018	-	-
	2017	-	-

Mr. Phillip R. Knoll

Phillip R. Knoll	Principal Occupation	Independent Businessman	
Age: 64 Halifax, Nova Scotia, Canada	Mr. Knoll is President of Knoll Energy Inc. (private energy consulting business). From October 2010 until September 29, 2014, Mr. Knoll was President and CEO of Corridor. Prior thereto, Mr. Knoll was Group Vice President of Duke Energy Gas Transmission from January 2002 to July 2004 and Senior Vice President of WestCoast Energy Inc. from 1999 to 2002. In addition, Mr. Knoll has been President of Maritimes & Northeast Pipeline, President of Westcoast Gas Services, Chief Operating Officer of TransCanada Midstream and President of ANG Gathering & Processing Inc. and Senior Vice President of Alberta Natural Gas. Mr. Knoll has over 35 years of varied experience in the energy sector and has held leadership roles in the development, acquisition, implementation and operation of businesses across the natural gas industry. This entailed leading senior teams in the development and execution of strategic plans, as well as restructuring initiatives related to mergers and acquisitions. Mr. Knoll obtained a BA Sc (chemical engineering) from the Technical University of Nova Scotia.		
Independent			
Director since: 2010			
	<i>Areas of Expertise:</i> Energy		
	<i>Public Board Membership:</i> Altagas Ltd. (TSX)		
	<i>Committee Membership:</i> Reserves Committee		
	Meetings Attended in 2018	#	%

Phillip R. Knoll	Principal Occupation	Independent Businessman		
	Board of Directors		10 of 12	83%
	Reserves Committee		2 of 2	100%
	Securities Held or Controlled⁽²⁾			
		Common Shares (#)	DSUs (#)	Options (#)
	April 9, 2019	286,923	37,951	-
	April 10, 2018	286,923	-	580,000
	Net change	-	37,951	(580,000) ⁽⁴⁾
	Value of Total Compensation Received			
	Year	Directors fees (\$)	Share-based awards (\$)	Total Compensation (\$)
	2018	40,000	24,668 (DSUs)	64,668
	2017	40,000	-	40,000

Mr. James S. McKee

James S. McKee	Principal Occupation	Independent Businessman		
	Age: 60 Calgary, Alberta, Canada	Mr. McKee was the Senior Vice President, Corporate Development at Trican Well Service Ltd. from February 2013 until his retirement in February 2016. Prior thereto, Mr. McKee was the Senior Vice President and Chief Financial Officer of Saxon Energy Services Inc. from 2010 to 2013 and Managing Director, Head of Canadian OFS and Small Cap Energy Investment Banking Teams of RBC Dominion Securities from 2005 to 2010. In addition, Mr. McKee has worked in the roles of President, Chief Operating Officer and Chief Financial Officer of several portfolio companies owned by the Hopewell Group of Companies, VP Investment Banking at RBC Dominion Securities and Partner in the International Tax Group of KPMG LLP Chartered Accountants. Mr. McKee obtained his designation as a Chartered Professional Accountant in Alberta in 1984.		
	Independent	<i>Areas of Expertise:</i> investment banking, global oilfield services, international taxation and public accounting		
	Director since: May 21, 2015	<i>Public Board Membership:</i> -		
		<i>Committee Membership:</i> Audit Committee Governance Committee		
	Meetings Attended in 2018		#	%
	Board of Directors		12 of 12	100%
	Audit Committee		4 of 4	100%
	Governance Committee		8 of 8	100%
	Securities Held or Controlled⁽²⁾			
		Common Shares (#)	DSUs (#)	Options (#)
	April 9, 2019	-	326,347	-
	April 10, 2018	-	230,071	-
	Net change	-	96,276	-
	Value of Total Compensation Received			
	<i>Mr. McKee elected to receive his directors' fees payable in 2017 and 2018 in the form of DSUs as a step to satisfy the minimum share ownership requirements under the Director Share Ownership Guidelines⁽³⁾.</i>			
	Year	Directors fees (\$)	Share-based awards (\$)	Total Compensation (\$)
2018	40,000 (DSUs)	24,668 (DSUs)	64,668	
2017	40,000 (DSUs)	-	40,000	

Mr. Norman W. Miller

Norman W. Miller	Principal Occupation	Independent Businessman	
Age: 78 Calgary, Alberta, Canada	Mr. Miller retired as President and Chief Executive Officer of Corridor in October 2010, a position he held since 1995. Throughout his working career he has been involved in the upstream end of the petroleum industry in Western Canada, Atlantic Canada and internationally. He was initially employed by Shell and was involved with Shell's exploration programs off Canada's west and east coasts in the late 1960s and early 1970s. For most of the 1980s he was president of E.P.I. Resources Ltd., and N.W. Miller & Associates Ltd., petroleum consulting firms based in Calgary, Alberta. From 1990 to 1993, Mr. Miller led LASMO's Nova Scotia based team in the development and initial production of the Cohasset/Panuke oilfields offshore Nova Scotia. Mr. Miller holds an Engineering Diploma and B.Sc. from Dalhousie University and a Bachelor of Mining Engineering from Nova Scotia Technical College.		
Independent	<i>Areas of Expertise:</i> Oil and natural gas engineering and management.		
Director since: 1995	<i>Public Board Membership:</i> -		
	<i>Board Committees:</i> Reserves Committee Governance Committee		
Meetings Attended in 2018		#	%
Board of Directors		11 of 12	92%
Reserves Committee		2 of 2	100%
Governance Committee		8 of 8	100%
Securities Held or Controlled⁽²⁾			
	Common Shares (#)	DSUs (#)	Options (#)
April 9, 2019	684,713	-	-
April 10, 2018	684,713	-	-
Net change	-	-	-
Value of Total Compensation Received			
	Directors fees (\$)	Share-based awards (\$)	Total Compensation (\$)
Year			
2018	40,000	-	40,000
2017	40,000	-	40,000

Mr. Stephen J. Moran

Stephen J. Moran	Principal Occupation	President & CEO of Corridor	
Age: 55 Calgary, Alberta, Canada	Since September 29, 2014, President and CEO of Corridor. Prior thereto, Mr. Moran was President and a director of Stellavista Capital Corp., a private oil and gas company. From 2006 until 2012, Mr. Moran was President and Chief Executive Officer of Bellamont Exploration Ltd., a TSX listed oil and gas company. Mr. Moran graduated from Acadia University in 1985 with a Bachelor of Business Administration degree. Mr. Moran is a member of the Canadian Association of Petroleum Landmen.		
Non Independent	<i>Areas of Expertise:</i> Oil and gas, with an emphasis on land negotiations and corporate planning.		
Director since: September 29, 2014	<i>Public Board Membership:</i> -		
	<i>Committee Membership:</i> -		
Meetings Attended in 2018		#	%
Board of Directors		12 of 12	100%
Securities Held or Controlled⁽²⁾			
	Common Shares (#)	DSUs (#)	Options (#)
April 9, 2019	477,618	-	1,710,000
April 10, 2018	398,026	-	1,180,000
Net change	79,592	-	530,000

Value of Total Compensation Received*			
<i>NOTE: Mr. Moran has not received any compensation in his capacity as a director of Corridor. See "Executive Compensation – Directors Compensation."</i>			
Year	Salary, bonus, and other compensation (\$)	Share-based awards⁽¹⁾ (\$)	Total Compensation (\$)
2018	316,333	197,362 (options)	513,695
2017	313,549	31,266 (options)	344,815

Notes:

- (1) The grant date fair value of the options in the table above was calculated using the Black-Scholes-Merton model, which is the fair value determined in accordance with International Financial Reporting Standards. For 2018, this calculation was based on a risk-free interest rate of 2.0%, an expected life of 4.0 years and an expected volatility of 68%. For 2017, this calculation was based on a risk-free interest rate of 0.9%, an expected life of 3.7 years and an expected volatility of 69%.
- (2) Corridor uses the Black-Scholes-Merton model as it is commonly used in the oil and gas industry.
- (3) The directors are required to own, within three years of the later of the adoption of the Director Share Ownership Guidelines and the initial election or appointment to the Board, at least three times their annual retainer in Common Shares and DSUs. The annual retainer for the Chairman of the Board is \$90,000 and the annual retainer for the other non-employee directors is \$40,000. Each of the directors is in compliance with the Director Share Ownership Guidelines.
- (4) These stock options expired without being exercised.

Additional Information Regarding Directors

To the knowledge of Corridor, other than as described below: (a) no proposed director of Corridor is, as at the date hereof, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that, (i) was subject to a 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 that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the 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 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; (b) no proposed director of Corridor, is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) no proposed director of Corridor has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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 director or executive officer.

Mr. McKee acted as an independent director of Poseidon Concepts Corp. ("Poseidon"), from November 2012 until his resignation in December 2012. On February 14, 2013, the Alberta Securities Commission issued a cease trade order against Poseidon for failure to prepare certain financial statements in accordance with Alberta securities laws. Similar cease trade orders were issued by the British Columbia Securities Commission on February 18, 2013, the Autorité des marchés financiers on February 19, 2013 and the Ontario Securities Commission on March 11, 2013. All of these cease trade orders remain in effect as of the date of this Circular. On April 9, 2013, Poseidon obtained creditor protection under the Companies Creditor Arrangement Act ("CCAA"), and on May 14, 2013 the common shares of Poseidon were delisted from the TSX. On May 4, 2018, the court granted six orders, including the plan sanction and implementation order and, October 10, 2018, the court issued the discharge order whereby, among other things, PwC was discharged as monitor.

To the knowledge of Corridor, no director of Corridor: (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) has been subject to any other

penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

EFFECTIVE DATE

Except as otherwise specified herein, the information set forth in this Circular is provided as of April 9, 2019.

ADDITIONAL INFORMATION

Additional information relating to Corridor including, Corridor's annual information form for the year ended December 31, 2018, annual financial statements together with the Auditors' Report thereon and the associated management's discussion and analysis for the year ended December 31, 2018, interim financial statements and the associated management's discussion and analysis for subsequent periods, and this Circular are available upon request to the Corporate Secretary, Suite 301, 5475 Spring Garden Road, Halifax, Nova Scotia B3J 3T2.

This information may also be accessed at www.sedar.com or Corridor's website at www.corridor.ca.

SCHEDULE "A"

CORPORATE GOVERNANCE DISCLOSURE FORM 58-101F1

<u>Disclosure Requirement</u>	<u>Corridor Resources Inc. Corporate Governance Practices</u>
Board of Directors	
Disclose the identity of directors who are independent.	Six of the seven current directors of the Corporation are independent. The following directors are independent as that term is defined in section 1.4 of Multilateral Instrument 52-110 and NI 58-101: <ul style="list-style-type: none">• J. Douglas Foster• Martin Fräss-Ehrfeld• Phillip R. Knoll• James S. McKee• Norman W. Miller Robert D. Penner (<i>Mr. Penner has determined not to stand for re-election at the Meeting</i>)
Disclose the identity of directors who are not independent and describe the basis for that determination.	Stephen J. Moran is not independent, as he is the President and Chief Executive Officer of the Corporation.
Disclose whether or not a majority of directors is independent. If a majority of directors is not independent, describe what the Board of Directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.	A majority of the directors are independent.
If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Information regarding the list of other reporting issuers for which the directors are also directors is set out under the heading " <i>Particulars of the Matters to be Acted Upon at the Meeting – Election of Directors – Director Information</i> " in the Circular.
Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.	The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, the Board held in camera sessions without management at most meetings of the directors.

Disclosure Requirement

Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.

Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

Corridor Resources Inc. Corporate Governance Practices

The Chairman of the Board, J. Douglas Foster, is an independent director of Corridor within the meaning of Section 1.4 of Multilateral Instrument 52-110 and NI 58-101, as he has no direct or indirect "material relationship" with Corridor, meaning Mr. Foster does not have a direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of Mr. Foster's independent judgment.

The Board has adopted a position description for the Chairman. Pursuant to this position description, the Chairman is charged with overseeing the direction and administration of governance activity and ensuring that the Board works as a cohesive team and builds a healthy governance culture.

Additional responsibilities of the Chairman include, among other things; (i) providing overall leadership to enhance the effectiveness of the Board and to assist the Board committees and individual directors to effectively carry out their duties and responsibilities, including in support of Corridor's commitment to social and community responsibilities; (ii) overseeing the responsibilities of the Board, Board committees and individual directors; (iii) ensuring that the Board and Shareholders meet as necessary, chairing such meetings, and ensuring that all business items and important issues are discussed and brought to resolution, as required, at such meetings; and (iv) with the independent members of the Board, actively participating in assessing Board effectiveness, and planning board composition and its succession.

The attendance record of each director at Board and Committee meetings is set out under the heading "*Particulars of the Matters to be Acted Upon at the Meeting – Election of Directors – Director Information*" in the Circular.

In addition to formal meetings of the Board and Committees, the directors engage in regular, informal discussions.

The terms of reference of the Board is attached as Schedule "B" to the Circular.

Disclosure Requirement

Position Descriptions

Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

Disclose whether or not the board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the board and Chief Executive Officer have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the Chief Executive Officer.

**Corridor Resources Inc.
Corporate Governance Practices**

The Corporation's Governance Committee is responsible for reviewing the mandates of the Board and its committees at least on an annual basis and recommending to the Board such amendments to those mandates as the Governance Committee believes are necessary or desirable.

The Board has approved written position descriptions for the Chairman and the chair of each committee.

The Board has approved a written position description for the Chief Executive Officer and also the Chief Financial Officer. The position descriptions are reviewed annually by the Governance Committee.

Disclosure Requirement

Orientation and Continuing Education

Briefly describe what measures the board takes to orient new directors regarding:

- the role of the board, its committees and its directors, and
- the nature and operation of the issuer's business.

Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Ethical Business Conduct

Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:

- disclose how a person or company may obtain a copy of the code;

Corridor Resources Inc. Corporate Governance Practices

The Governance Committee oversees: (i) the development and implementation of the director orientation program, including a complete business overview, a strategic overview and an overview of Corridor's values and operating philosophies; and (ii) the development, implementation and disclosure of the ongoing director education program, education sessions on the Corporation's business by way of presentations and operating site visits, individual or group education sessions from internal personnel or external consultants on topics of importance to directors and the Corporation, and recommended formal educational opportunities through appropriate organizations to be made available to individual directors and paid for by the Corporation.

All directors are provided with a copy of all Board and committee mandates and policies, the Corporation's by-laws, pertinent corporate information and other reference materials, and are introduced to senior management and the other directors. New directors are also given a presentation on the Corporation by the Corporation's management. The orientation and education process is reviewed on an annual basis and will be revised accordingly as circumstances warrant.

As at this time, the Board has not implemented a formal continuing education plan for its directors due to continuity and level of engagement of the Directors of the Board. The Board will continue to assess whether it is appropriate to develop a formal continuing education program for its directors to ensure the directors maintain the skill and knowledge necessary to meet their obligations as directors. Notwithstanding the forgoing, the Corporation has and will continue to support and contribute to formal continuing educational programs for its directors.

The Board has adopted a *Code of Business Conduct and Ethics*.

The *Code of Business Conduct and Ethics* is available on the Corporation's website at www.corridor.ca under the heading "*Investors – Corporate Governance*".

Disclosure Requirement

- describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and
- provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

Nomination of Directors

Describe the process by which the board identifies new candidates for board nomination.

Corridor Resources Inc. Corporate Governance Practices

Each director, officer, employee and full-time consultant is required annually to complete a compliance certificate certifying observance with the *Code of Business Conduct and Ethics* and noting any suspected or known exceptions to the *Code*, which certificates are to be returned directly to the Chief Executive Officer or Chief Financial Officer. In addition, all directors, officers and employees are required to promptly report any suspected breaches of the *Code* to the Chief Executive Officer or the Chair of the Board or the Chair of the Audit Committee.

Not applicable.

Directors who have, or may be reasonably perceived to have, a personal interest in a transaction or agreement being contemplated by the Corporation are required to declare such interest at any directors' meeting where the matter is being considered and to refrain from voting on such matter. The Corporation has not entered into any transactions or agreements since 2000 in respect of which a director or executive has a material interest.

The Board has adopted a *Code of Business Conduct and Ethics* and also encourages and promotes a culture of ethical business conduct by expecting each other, all officers and management to act in a manner that exemplifies ethical business conduct and consistent with the *Code of Business Conduct and Ethics*. This expectation sets the tone for all employees of the Corporation. The Corporation makes every effort to ensure that prospective directors, employees and consultants are of good character.

The Governance Committee is responsible for developing and reviewing Corridor's management succession and development plans; review and assess the size, composition and operation of the Board and committees of the Board to ensure effective decision-making; and identify and assess new candidates for nomination to the Board.

Disclosure Requirement

Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

**Corridor Resources Inc.
Corporate Governance Practices**

The Board regularly considers its size when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Governance Committee regularly examines the composition of its then current Board and the competencies, skills, financial acumen and age of each of the current Directors.

One of the current seven directors of Corridor, Mr. Robert D. Penner, has determined to not stand for re-election as a director. The Governance Committee and the Board have determined not to replace Mr. Penner at this time, which will result in the reduction of the size of the Board from seven to six members. However, this retirement provides an opportunity to the Board to examine the composition and size of the Board with the goal of achieving diversity (including female representation). The Board expects this re-evaluation to continue in 2019.

Each of the members of the Governance Committee is independent.

Disclosure Requirement

If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

Corridor Resources Inc. Corporate Governance Practices

The Governance Committee: (i) reviews and assesses the size, composition and operation of the Board to ensure effective decision-making and makes recommendations for consideration; (ii) after consulting with the Chair of the Board and individual directors, reviews and assesses the size, composition and committee chairs of all committees of all of the Board and makes recommendations to the Board for consideration; (iii) identifies and assesses new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder, considering the performance, independence, competencies, skills, financial acumen, and ability to devote sufficient time and resources to his or her duties of the candidate and the Board, as a whole, to ensure effective governance and satisfy applicable law and makes recommendations to the Board for consideration; (iv) annually reviews and recommends to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders of the Corporation; (v) annually reviews and recommends to the Board for consideration those individual directors to be designated as independent under applicable law; and (vi) regularly reviews and assesses the Corporation's policies on tenure and terms of individual directors, the Board Chair and committee chairs and recommends any changes to the Board for consideration.

Compensation

Describe the process by which the board determines the compensation for the issuer's directors and officers.

Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.

If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

Please refer to "*Executive Compensation – Compensation Discussion and Analysis*" in the Circular for details of the executive and director compensation structure and policies.

Each of the members of the Governance Committee is independent. See "*Executive Compensation – Compensation Discussion and Analysis – Compensation Governance*" in the Circular.

See "*Executive Compensation – Compensation Discussion and Analysis – Compensation Governance*" in the Circular.

Disclosure Requirement

If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

**Corridor Resources Inc.
Corporate Governance Practices**

Not applicable.

The Board's other standing committee is the Reserves Committee. The Reserves Committee is responsible for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities, and reviewing and reporting to the Board on: (i) the Corporation's procedures relating to the disclosure of such information; (ii) the appointment of, or any changes to, the independent consultants engaged to report on the Corporation's oil and gas reserves pursuant to the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"); and (iii) the Corporation's procedures for providing information to the consultants. Prior to filing the Statement of Reserves Data and Other Oil and Gas Information and related consultants' report required under NI 51-101, the Reserves Committee meets with responsible management of the Corporation and the independent consultants to review the evaluation report, and thereafter reports to the Board and recommends, as appropriate, the approval, release and filing of the *Statement of Reserves Data and Other Oil and Gas Information* and related reports required under NI 51-101.

Disclosure Requirement

Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

Director Term Limits and Other Mechanisms of Board Approval

Disclose whether or not the Corporation has adopted term limits for the directors. Describe director term limits or other mechanisms of Board renewal. If the Corporation has not adopted term limits or other mechanisms of board renewal, disclose why it has not done so.

**Corridor Resources Inc.
Corporate Governance Practices**

Due to the regular, informal discussions among Board members, the Board has not established a formal policy to monitor the effectiveness of the directors, the Board and its Committees. The Board encourages discussions among its members regarding the composition of the Board, the ability of the Board to engage in effective decision-making and the competencies and skills that the Board should possess.

The Governance Committee has developed a detailed directors' questionnaire to identify the effectiveness of the Board so as to foster the development of the Board to achieve governance best practices.

The Governance Committee annually reviews and assesses the position descriptions of the Chief Executive Officer; the Chief Financial Officer and the chair of the Board and each committee of the Board and annually reviews the Chief Executive Officer's and the Chief Financial Officer's short-term and long-term corporate objectives and performance measurement indicators.

The Board has considered and not yet imposed term limits. The Board needs to maintain a balance between directors with a history and knowledge of the Corporation and those with new ideas and different experiences. The Board is considering staggering, over the next few years, the retirement of those directors who have served on the Board for a number of years and the Board is also considering adopting a retirement policy.

Corridor believes that approach maintains continuity of leadership while simultaneously ensuring board renewal.

Disclosure Requirement

Policies Regarding the Representation of Women on the Board

Disclose whether the Corporation has adopted a written policy relating to the identification and nomination of women directors. If the Corporation has not adopted such a policy, disclose why not.

**Corridor Resources Inc.
Corporate Governance Practices**

While a formal policy has not been adopted, the Board and the Corporate Governance Committee believe that a board of directors made up of highly qualified directors from diverse backgrounds, experience, race, gender and other distinctions is most likely to facilitate a broader exchange of perspectives and promotes better corporate governance. The Corporate Governance Committee, in reviewing the composition of the Board, considers the benefits of all aspects of diversity in order to enable the Board to discharge its duties and responsibilities effectively. Additionally, in evaluating suitable candidates for nomination for election to the Board, the Corporate Governance Committee also considers candidates on merit based on a balance of skills, background, experience and knowledge. Any search to identify candidates for nomination as a director will specifically include a requirement that women and minorities are included in the pool of candidates. The ultimate decision will be made by the Board based on merit and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board, including gender. The Corporation remains committed to meritocracy in the boardroom, which requires a diverse and inclusive culture where the views of all members of the Board are heard, their concerns are attended to and they serve an environment where bias, discrimination and harassment on the matter are not tolerated.

Disclosure Requirement

If the Corporation has adopted a policy referred to in (a), disclose: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the Corporation in achieving the objectives of the policy, and (iv) whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.

Consideration of the Representation of Women in the Director Identification and Selection Process

Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the Corporation does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the Corporation's reasons for not doing so.

**Corridor Resources Inc.
Corporate Governance Practices**

The Board also values the importance of promoting the diversity of its executive officers and is aware of the benefit of seeking qualified female candidates with particular skills, knowledge and expertise required by the organization. As a result, management and the Board evaluates such candidates primarily by considering the candidate's knowledge, experience, education and suitability for the position, while informally considering factors, including gender, which promote diversity among its executive officers.

The Board has not adopted specific numerical targets regarding numbers of women on the Board or in executive officer positions, on the grounds that appropriate skills and experience must remain the primary criteria for such appointments, and out of a concern that the establishment of numerical targets could create a perception that women in executive officer roles have been appointed solely or primarily on the basis of their gender rather than their specific qualifications.

The Board considers the level of representation of women in executive officer positions when making executive officer appointments, as part of a broader focus on diversity in our workforce and management.

The Board is committed to achieving diversity in the Board and its executive officers and, in light of the retirement of Mr. Bob Penner as a director of Corridor, intends to re-evaluate the size and composition of the Board in 2019.

See above

**Corridor Resources Inc.
Corporate Governance Practices**

Disclosure Requirement

Consideration Given to the Representation of Women in Executive Officer Appointments

Disclose whether and, if so, how the Corporation considers the level of representation of women in executive officer positions when making executive officer appointments. If the Corporation does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Corporation's reasons for not doing so.

See above

Corporation's Targets regarding the Representation of Women on the Board and in Executive Officer Positions

For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the Corporation of women on the Corporation's Board or in executive officer positions of the Corporation by a specific date.

Disclose whether the Corporation has adopted a target regarding women in executive officer positions of the Corporation. If the Corporation has not adopted a target, disclose why it has not done so.

See above.

If the Corporation has adopted a target regarding women on the Board or in senior executive positions, disclose: (i) the target, and (ii) the annual and cumulative progress of the Corporation in achieving the target.

See above.

Number of Women on the Board and in Executive Officer Positions

Disclose the number and proportion (in percentage terms) of directors on the Corporation's Board who are women.

As of the date hereof, none of the members of the Board are women (0%).

Disclose the number and proportion (in percentage terms) of executive officers of the Corporation, including all major subsidiaries of the Corporation, who are women.

As of the date hereof, two of the four "Named Executive Officers" of the Corporation are women (50%). Please see the discussion of the "named executive officers" under the heading "*Executive Compensation - Summary Compensation Table*" in this Circular.

Copies of position descriptions and mandates noted herein as being available on the Corporation's website at www.corridor.ca may also be obtained on request from the Corporate Secretary.

SCHEDULE "B"

CORRIDOR RESOURCES INC.

BOARD OF DIRECTORS TERMS OF REFERENCE

General Powers of the Board of Directors

The Board of Directors has a duty to manage the business and affairs of Corridor Resources Inc. (the "**Corporation**") in accordance with the *Business Corporations Act* (Alberta) and the regulations thereunder and the articles and by-laws of the Corporation. The powers of the Board of Directors may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all directors entitled to vote on the resolution.

The principal responsibility of the Board of Directors is to promote the best interests of the Corporation and its shareholders. This responsibility includes: (i) approving fundamental operating, financial and other corporate plans, strategies and objectives; (ii) evaluating the performance of the Corporation and its senior management; (iii) selecting, regularly evaluating and fixing the compensation of executive officers; (iv) adopting policies of corporate governance and conduct, including compliance with stock exchange policies, applicable laws and regulations, financial and other controls; (v) reviewing the process of providing appropriate financial and operational information to the shareholders and the public generally; and (vi) evaluating the overall effectiveness of the Board of Directors.

General Fiduciary Duties

The Board of Directors must act in the best interests of the Corporation and its shareholders generally. Every director of the Corporation in exercising his powers and discharging his duties must:

- act honestly and in good faith with a view to the best interests of the Corporation; and
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Fiduciary duties include, by way of example, the obligation to refrain from voting on contracts where personal financial or other interests conflict with those of the Corporation, using insider information in securities transactions and appropriating a corporate opportunity for personal benefit. Directors must act with such care as would reasonably be expected of a person having the knowledge and experience of the particular director in question.

Directors should have sufficient information to enable them to make knowledgeable decisions on all matters coming before the Board of Directors. It is the responsibility of each director to ask such questions as may be necessary to satisfy him on that he has been supplied with all the necessary information on which to base his decisions. Directors should have a basic understanding of the principal operational and financial objectives, strategies and plans of the Corporation, the results of operations and the financial condition of the Corporation.

Directors are entitled to rely in good faith on: (i) financial statements of the Corporation which are represented by an officer of the Corporation or in a written report of the auditors of the Corporation as fairly reflecting the financial condition of the Corporation; or (ii) an opinion or report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

In order to fulfill his fiduciary duties to the Corporation and its shareholders, each director should: (i) prepare for and attend all meetings of the Board of Directors; (ii) be sufficiently informed about the current and proposed activities of the Corporation; (iii) review the minutes of meetings, including any meeting not attended as well as any resolutions passed or actions taken; (iv) obtain advice from outside or independent advisors and consultants when necessary; (v) consider whether the minutes of the previous meeting of the Board of Directors accurately represent the discussions that took place and the resolutions that were passed; and (vi) be attentive to matters arising in respect of the Corporation's activities according to his own experience and occupation.

Conflicts of Interest

A director who is a party to a material contract or proposed material contract with the Corporation, or who is a director or officer of or has a material interest in any corporation or entity which is a party to a material contract or proposed material contract with the Corporation, must disclose in writing to the Corporation, or request to have entered in the minutes of meetings of directors, the nature and extent of his interest.

The disclosure required to be made by a director where there is a conflict of interest must be made at the meeting at which a proposed contract is first considered by the Board of Directors or, if the director had no interest in a proposed contract at the time of such meeting, at the first meeting of the Board of Directors after he acquires an interest. If the director acquires an interest after a contract is made, he must disclose his interest at the first meeting of the Board of Directors after acquiring the interest. If a person who has an interest in a contract later becomes a director of the Corporation, he must disclose his interest at the first meeting of the Board of Directors after he becomes a director.

Where a proposed contract is dealt with by a written resolution signed by all directors in lieu of a meeting of the Board of Directors, the disclosure must be made immediately upon receipt of the resolution or, if the director had no interest at the time of receipt of the resolution, at the first meeting of the Board of Directors after he acquires the interest.

A director who discloses a conflict of interest must refrain from taking part in any discussions or voting on any resolution to approve the contract, unless the contract is:

- an arrangement by way of security for money loaned to or obligations undertaken by him, or by a corporation in which he has an interest, for the benefit of the Corporation or an affiliate;
- a contract relating primarily to his remuneration as a director, officer, employee or agent of the Corporation or an affiliate;
- a contract for indemnity or insurance with respect to a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a corporation of which the Corporation is or was a shareholder or creditor; or
- a contract with an affiliate of the Corporation, provided however, that directors who serve on boards of affiliated corporations are not required to refrain from voting on contracts between the two corporations.

Any profits or gains realized by a director as a result of his privileged position on the Board of Directors must be reimbursed to the Corporation, except in the case of gains resulting from contracts with respect to which he has complied with the obligation to disclose his interest and has refrained from voting.

Mandate and Stewardship of the Corporation

The Board of Directors is responsible for the stewardship of the Corporation and, as part of the overall stewardship responsibility, should assume responsibility (directly or through its committees) for overseeing the following matters:

- the adoption of a strategic planning process;
- the identification of the principal risks of the Corporation's business and endeavoring to ensure the implementation of appropriate systems to manage those risks;
- succession planning;
- the implementation of a communications policy for the Corporation;
- monitoring the integrity of the Corporation's internal control and management information systems; and
- overseeing the Corporation's commitment to social and community responsibility and fostering ethical and responsible decision making by management.

The Board of Directors has identified the following core functions:

- choosing the CEO and overseeing his efforts to direct the senior management team in respect of managing the enterprise;
- setting the broad parameters within which the management team operates, including adopting a strategic planning process and approving a strategic direction; defining a framework to monitor the management of business opportunities and risks;
- providing direction and advice to the CEO and the management team;
- monitoring and assessing the performance of the CEO; and
- providing information to securityholders and stakeholders about the integrity of the Corporation's financial performance.

Corporate Opportunity

A director is precluded from obtaining for himself or diverting to another person or corporation with whom or with which he is associated, either secretly or without the approval of the Corporation, any property or business advantage belonging to the Corporation or with respect to which it has been in the course of negotiations.

A director is also precluded from acting in the manner described even after his resignation, where the resignation may fairly be considered to have been prompted or influenced by a wish to acquire for himself the opportunity sought by the Corporation, or where it was his position with the Corporation that led to the opportunity.

In certain circumstances, a director may not use his position as a director to make a profit, even if it was not open to the Corporation to participate in the transaction.

Duty of Independence

A director must act in the best interests of the Corporation and its shareholders generally and not in the interest of any one shareholder or group of shareholders. In determining whether a particular transaction or course of action is in the best interests of the Corporation, a director, if he is elected or appointed by holders of a class or series of shares, may give special, but not exclusive, consideration to the interests of those who elected or appointed him.

Duty of Confidentiality

Directors of the Corporation have an obligation to maintain the confidentiality of matters discussed at meetings of the Board of Directors unless:

- it was clearly understood at the Board meeting that the information was not required to be kept in confidence;
- the director was required or authorized by law to disclose the information; or
- the director was authorized expressly or implicitly by the Board of Directors to make disclosure of the information.

Duty Not to Misuse Information or Position

A director must not misuse his position or make improper use of information acquired by virtue of his position to gain, directly or indirectly, an advantage for himself or any other person or to cause detriment to the Corporation. Directors are insiders of the Corporation and, as such, must not use information about the Corporation to trade in securities or to assist others to trade in securities of the Corporation before the information is available to the public.

Insider Reporting

Directors are required to report any changes in their direct or indirect beneficial ownership of or control or direction over securities of the Corporation within five days of the change.

Communication to Shareholders

The Board of Directors must comply with the Corporation's applicable disclosure policy regarding effective communication with its shareholders and the public generally. Directors have a responsibility to have appropriate procedures in place so that accurate, appropriate and timely disclosure is being made to the Corporation's shareholders and to the public.

Delegation of Authority to Officers and Committees

The Board of Directors may delegate authority and functions to officers and to committees of directors. The Board of Directors has the right to appoint officers to perform such duties assigned to them by the Board of Directors. The persons holding such offices shall also have the powers assigned to them from time to time by the Chief Executive Officer of the Corporation.

In the case of the Corporation, committees of directors include an Audit Committee, a Corporate Governance Committee and a Reserves Committee. The Board of Directors has established the terms of reference for each such committee, which includes the committee's responsibilities, the composition of the committee, and various administrative matters, and a position description for the chair of each committee.

The following matters are within the sole purview of the Board of Directors and may not be delegated by the board to a committee of directors or to an officer of the Corporation:

- the submission to the shareholders of any question or matter requiring the approval of the shareholders;
- the filling of a vacancy among the directors or in the office of the auditor;
- the issuance of securities, except in the manner and on the terms authorized by the directors;
- the declaration of dividends;

- the purchase, redemption or other acquisition of shares of the Corporation, except in the manner and on the terms authorized by the directors;
- the payment of a commission to any person in consideration of: (i) his purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person; or (ii) his procuring or agreeing to procure purchasers for shares of the Corporation;
- the approval of a management proxy circular;
- the approval of any financial statements to be placed before the shareholders at an annual meeting; or
- the adoption, amendment or repealing of any by-laws of the Corporation.

Financial Statements

The Board of Directors has a duty to approve the annual financial statements of the Corporation and to submit the financial statements of the Corporation, and the auditors' report thereon, for the preceding year to the shareholders at the annual meeting of the shareholders of the Corporation.

A director is required to forthwith notify both the Audit Committee and the Corporation's auditors of any error or misstatement of which he becomes aware in the audited financial statements of the Corporation. The Board of Directors has a duty to prepare and issue corrected financial statements on being informed of an error or misstatement by an auditor or former auditor and the duty to file these statements with or inform the appropriate securities regulatory authorities.

Auditors

On demand from the Corporation's auditors, each present and former director of the Corporation has a duty to furnish to the auditors any information and explanations and allow access to any books, records, documents, accounts or vouchers of the Corporation or its subsidiaries that he is reasonably able to furnish and which the auditors consider necessary to enable them to report on the annual financial statements.

Shareholder Meetings

The Board of Directors is required to call the annual meeting of the shareholders and may, at any time, call a special meeting of shareholders. The Board of Directors has a duty to call a special meeting of the shareholders to approve any matter, which requires the approval of shareholders by special resolution.

Matters Requiring Board Approval

The following matters require specific approval of the Board of Directors:

- all matters identified as falling within the sole purview of the Board of Directors;
- the annual budgets (including operating and capital budgets) for the Corporation and any amendments thereto;
- compensation (including options, bonuses and forms of compensation) for executive officers of the Corporation having regard to the recommendations of any properly constituted committee in respect of such matters and the recommendations of the Chief Executive Officer;
- expenditures or transactions falling outside the guidelines or operating authorities approved by the Board and for this purpose, expenditures described in an approved budget may be authorized by the CEO, as well other expenditures required in an emergency situation (i.e. environmental, health and safety);

- the selection of principal advisors to the Corporation, including banking, legal, engineering and financial;
- the appointment of officers of the Corporation;
- the appointment of members to committees of the Board of Directors;
- any transaction involving senior management that is outside corporate policy or which, because of the nature of transaction or the potential for conflict because the parties are not acting at arm's length should be approved by the Board of Directors; and
- major and significant corporate decisions, including any contract, arrangement or transaction, which would reasonably be considered to be material, or of such significance as to reasonably warrant consideration by the Board of Directors.