

**PETRO VISTA ENERGY CORP.**

**Annual General and Special Meeting  
to be held on Friday, March 31, 2017**

**Notice of Annual General and Special Meeting  
and  
Information Circular**

**February 24, 2017**

## PETRO VISTA ENERGY CORP.

Suite 800, 789 West Pender Street  
Vancouver, B.C., V6C 1H2  
Telephone: 604-638-8067  
Fax: 604-648-8105

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Petro Vista Energy Corp. (the “**Company**”) will be held at 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia on Friday, March 31, 2017 at 10:00 am. At the Meeting, the shareholders will receive the financial statements for the year ended September 30, 2016, together with the auditor’s report thereon, and consider resolutions to:

1. Fix number of directors at three;
2. elect directors for the ensuing year;
3. appoint PricewaterhouseCoppers LLP, Chartered Accountants, as auditor of the Company for the ensuing year, and authorize the directors to determine the remuneration to be paid to the auditor
4. confirm the Company’s stock option plan, as required annually by the policies of the TSX Venture Exchange;
5. consider and, if thought fit, pass a special resolution approving the the consolidation of the fully paid and issued common shares of the Company on, or up to, a twenty (20) old for one (1) new common share basis, as more particularly described in the Information Circular under the heading “Particulars of Matters to be Acted Upon – Consolidation of Common Shares”;
6. consider and, if thought fit, pass a special resolution, approving the reduction of the Company’s capital pursuant to section 74(1) of the *Business Corporations Act* (British Columbia), by an amount equal to 100% of the Company’s cash, less outstanding liabilities and less \$50,000, as more particularly described in the Information Circular under the heading “Particulars of Matters to be Acted Upon - Reduction of Capital and Return of Capital”; and
7. transact such other business as may properly be put before the Meeting.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver, British Columbia time) on March 29, 2017 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on February 24, 2017 will be entitled to vote at the Meeting.

An information circular and a form of proxy accompany this notice.

DATED at Vancouver, British Columbia, the 24<sup>th</sup> day of February, 2017.

**ON BEHALF OF THE BOARD**

*“Darren Devine”*

Darren Devine  
Director

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### **INFORMATION CIRCULAR**

(as at February 24, 2017 except as otherwise indicated)

#### **SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of Petro Vista Energy Corp. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on Friday, March 31, 2017 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

#### **APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors and/or officers of the Company. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on March 29, 2017, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

#### **Provisions Relating to Voting of Proxies**

**The common shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those common shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the**

discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

#### Advice to Beneficial Holders of Common Shares

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold common shares in their own name.** Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote common shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“OBOs”) and those who do not object to their identity being made known to the issuers of the securities which they own (“NOBOs”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a NOBO and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, if you are a NOBO, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents. The Company will assume the costs associated with the delivery of the Notice of Meeting, Circular and VIF, as set out above, to OBOs by intermediaries.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on March 29, 2017. **A NOBO Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

## Financial Statements

The audited financial statements of the Company for the year ended September 30, 2016, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the shareholders at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of common shares of which 29,425,994 common shares are issued and outstanding. All common shares in the capital of the Company carry the right to one vote. Unless otherwise stated herein, all figures in this Circular are shown on a post-consolidation basis.

Shareholders registered as at February 24, 2017, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the issued and outstanding common shares of the Company:

<u>Name and Municipality of Residence</u>	<u>Number of Petro Vista Common Shares</u>	<u>Percentage of Petro Vista Common Shares</u>
Keith Hill Florida, USA	3,311,111	11.25%

## ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. The Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. The number of directors of the Company was set at four at the Company's last annual general meeting. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at three (3).

## Advance Notice Provisions

Pursuant to Article 14.12 of the Company's Articles, any additional director nominations for an annual general meeting must be received by the Company, not less than 35, nor more than 65 days prior to the date of the meeting. As no nominations were received by February 24, 2017 being the date which is 35 days prior to the Meeting, management's nominees for election as directors set forth below shall be the only nominees eligible to stand for election at the Meeting.

The following table sets out the names of the nominees for election as directors, the offices they hold within the Company, their occupations, the length of time they have served as directors of the Company,

and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Company	Principal occupation during the past five years	Served as director of the Company since	Number of common shares of the Company beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>
<b>Darren Devine</b> <sup>(2)(3)(4)</sup> British Columbia, Canada <i>Director, Executive Vice-President and Secretary</i>	Principal of CDM Capital Partners Inc. a private British Columbia venture capital company, since April 2011; President and sole owner of Chelmer Consulting Corp. a private British Columbia venture capital company, since April 2005.	April 6, 2006	Nil
<b>Darryl Cardey</b> British Columbia, Canada <i>Nominee</i>	President and sole owner of Cardey Management Corp., a private British Columbia venture capital company, since October 2000; and a Principal of CDM Capital Partners Inc., a private British Columbia venture capital company, since April 2011.	N/A	Nil
<b>Helen Ko</b> British Columbia, Canada <i>Nominee</i>	Canadian Chartered Professional Accountant. Former CFO of TrackX Holdings Inc., and controller for a number of publicly listed companies.	N/A	Nil

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee
- (4) Member of the Corporate Governance Committee.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

### Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Company, that while that person was acting in that capacity:

- (a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the company being the subject of a cease trade order or similar order or an

order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

- (c) 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.

### **Individual Bankruptcies**

No director or proposed director of the Company has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

### **Penalties or Sanctions**

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

During the financial year ended September 30, 2016, the Company had two Named Executive Officers (“NEOs”) being, Darren Devine, the Executive Vice President and Adam Kniec, the Chief Financial Officer (“CFO”). Darren Devine is currently also the acting President, Chief Executive Officer and Corporate Secretary of the Company.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

## **COMPENSATION DISCUSSION AND ANALYSIS**

### **Compensation Discussion and Analysis**

The Company’s compensation philosophy for executive officers follows three underlying principles:

- (a) to provide compensation packages that encourage and motivate performance;
- (b) to be competitive with other companies of similar size and scope of operations so as to attract and retain talented executives; and

- (c) to align the interests of its executive officers with the long-term interests of the Company and its shareholders through stock related programs.

When determining compensation policies and individual compensation levels for the Company's executive officers, the Compensation Committee takes into consideration a variety of factors. These factors include the overall financial and operating performance of the Company, and the Compensation Committee's and the Board of Directors (the "**Board**") overall assessment of:

- (a) each executive officer's individual performance and contribution towards meeting corporate objectives;
- (b) each executive officer's level of responsibility, and
- (c) each executive officer's length of service.

The Company does not actively benchmark executive compensation against any peer group. This allows the Corporation to retain the flexibility to determine compensation for each executive officer on an individual basis. Furthermore, the Board annually reviews and approves the compensation packages, including salary level, bonus potential and entitlement and participation in long-term equity-based incentives, and the performance of all senior executives, including the acting Chief Executive Officer.

The Compensation Committee obtains executive compensation data from third-party providers of compensation data in the local Vancouver oil and gas sector. The Compensation Committee intends to agree annually and on an as-needed basis, with input from management, on the specific work to be undertaken from time to time by external human resources consultants.

### **Compensation Mix**

In keeping with the Company's philosophy to link senior executive compensation to corporate performance and to motivate senior executives to achieve exceptional levels of performance, the Company has adopted a model that includes both base salary and "at-risk" compensation, comprised of short-term performance bonuses (which are subject to targets being achieved) and participation in the Company's Long Term Incentive Plan (stock option), as described below.

#### Base Salary

Base salary levels reflect the fixed component of pay that compensates executives for fulfilling their roles and responsibilities and assists in the attraction and retention of highly qualified executives. Base salaries are reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention.

#### Long Term Incentive Plan (Stock Options)

Long-term incentives are performance-based grants of stock options. The awards are intended to align executive interests with those of shareholders by tying compensation to share performance and to assist in retention through vesting provisions. Grants of stock options are based on:

- (a) the executive's performance;
- (b) the executive's level of responsibility within the Company;

- (c) the number and exercise price of options previously issued to the executive; and
- (d) the overall aggregate total compensation package provided to the executive. A Black-Scholes valuation is used to determine the value of any long-term options allocated.

The Compensation Committee makes recommendations to the Board concerning the Company's Long Term Incentive Plan based on the above criteria. Options are typically granted on an annual basis in connection with the review of executives' compensation packages. Options may also be granted to executives upon hire or promotion and as special recognition for extraordinary performance.

### **Risk of Compensation Practices and Disclosure**

The Compensation Committee has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short-term goals at the expense of long term sustainability. The discretionary nature of annual bonus awards and option grants are significant elements of the Company's compensation plans and provide the Board with the ability to reward historical performance and behaviour that the Board consider to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks. The Board and the Compensation Committee does not believe that the Company's compensation programme results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company.

### **Hedging Policy**

The Company has not established a policy on whether a NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. The NEOs and directors have advised the Company that they have not entered into any such arrangement.

### **Chief Executive Officer Compensation**

When a Chief Executive Officer is appointed, the components of Chief Executive Officer's compensation will be the same as those which apply to the other senior executive officers of the Company, namely base salary, performance bonus (which is subject to targets being achieved) and long-term equity incentives. The Compensation Committee will present recommendations to the Board with respect to the Chief Executive Officer's compensation. In setting the recommended salary of the Chief Executive Officer, the Compensation Committee will take into consideration the recommendations of independent consultants. In setting the salary, performance bonus and long-term incentives for the Chief Executive Officer, the Compensation Committee will evaluate the performance of the Chief Executive Officer in light of such individual's impact on the achievement of the Company's goals and objectives.

### **Option-based awards**

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure

that such grants are in accordance with the policies of the TSX Venture Exchange (the “Exchange”), and closely align the interests of the executive officers with the interests of shareholders.

The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

### Compensation Governance

The Compensation Committee has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards. The Compensation Committee is composed of Ian Gibbs (Chair), Darren Devine and Nick Walker. Ian Gibbs and Nick Walker are “independent directors” as defined under applicable Canadian securities laws at the relevant times and Darren Devine is not as he is also the acting President and CEO and the Executive Vice President and Corporate Secretary of the Company. Following the Meeting and the resignation of Ian Gibbs and Nick Walker, the Company intends to appointment two new directors to the Compensation Committee.

All members of the Compensation Committee have direct experience that is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive roles within public companies, and therefore have a good understanding of compensation programmes. They also have good financial understanding that allows them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understanding of the Company’s success factors and risks, which is very important when determining metrics for measuring success. For further information on the Compensation Committee, see “Corporate Governance Disclosure - Compensation Committee”.

### SUMMARY COMPENSATION TABLE

Set out below is a summary of compensation paid or accrued during the Company’s three most recently completed financial years to the Company’s NEOs.

#### Summary Compensation Table

Name and principal position	Year	Salary <sup>(2)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
Darren Devine Executive Vice-President <sup>(3)</sup>	2016	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
	2015	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
	2014	144,000	Nil	Nil	Nil	Nil	Nil	Nil	144,000
Adam Kniec CFO	2016	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2015	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2014	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000

Notes:

- (1) No options were granted to NEOs during the year ended September 30, 2016.
- (2) These fees were paid or accrued to companies owned by Darren Devine (Chelmer Consulting Corp.) and Adam Kniec (ArkOrion Enterprises Inc.).

- (3) Darren Devine also serves as a director of the Company and receives compensation for services as directors, and his compensation has been included in the figures provided in this Summary Compensation Table. Amounts, if any, which relate to the director role are disclosed in subsequent footnotes hereunder.

### **Narrative Discussion**

The Company entered into a consulting agreement with Chelmer Consulting Corp. dated January 1, 2010 and amended on September 1, 2013 (the “**Devine Consulting Agreement**”) pursuant to which Mr. Devine provides services to the Company. Pursuant to the Devine Consulting Agreement, Chelmer Consulting Corp. receives a monthly fee of C\$12,000, reduced to C\$1,000 effective January 1, 2017 upon the closing of the sale of the Company’s oil and gas assets to Maha Energy Inc. The Devine Consulting Agreement can be terminated by either party upon providing 90 days written notice or payment of three months’ of fees in lieu of notice.

The Company entered into a consulting agreement with ArkOrion Enterprises Inc. dated February 1, 2010 and amended on September 1, 2013 (the “**Kniec Consulting Agreement**”) pursuant to which Mr. Kniec provides services to the Company. Pursuant to the Kniec Consulting Agreement, ArkOrion Enterprises Inc. receives a monthly fee of C\$8,000, reduced to C\$1,000 effective January 1, 2017 upon the closing of the sale of the Company’s oil and gas assets to Maha Energy Inc. The Kniec Consulting Agreement can be terminated by either party upon providing 60 days written notice or payment of two months’ of fees in lieu of notice.

## **INCENTIVE PLAN AWARDS**

### **Outstanding Share-Based Awards and Option-Based Awards**

The Company does not have any share-based awards held by a NEO. At the end of the most recently completed financial year, there were no option-based awards held by the NEOs of the Company.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

No incentive plan awards were earned or vested by any NEO during the most recently completed financial year.

### **Narrative Discussion**

Option-based awards made to-date were made at prevailing market prices and carry a five-year term. 25% of the Option-based awards vest on the date of grant, and 25% vests every 6 months thereafter. There were no additional performance goals or conditions attached.

The following information is intended as a brief description of the Company’s stock option plan (the “**Stock Option Plan**”) and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. The maximum aggregate number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding share capital of the Company, the exercise price of which, as determined by the Board in its sole discretion, shall not be less than the last closing price of the Company’s shares traded through the facilities of the Exchange prior to the announcement of the option grant, or such other price as may be required or permitted by the Exchange, or if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.

2. The Board shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the grant date.
4. If the option holder ceases to be a director, officer, employee or consultant of the Company (other than by reason of death or disability) then the option granted shall expire on the earlier of the expiry date and 90 days after the date on which the option holder ceases to be a director, officer, employee or consultant, subject to the terms and conditions set out in the Stock Option Plan.

The Board retains the discretion to impose vesting periods on any options granted. In accordance with the policies of the Exchange, stock options granted to consultants performing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the stock options vesting in any three month period.

#### **PENSION BENEFITS**

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

#### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company and its subsidiaries have no employment contracts with any Named Executive Officer except as follows:

1. Consulting Agreement effective February 1, 2010, as amended on September 1, 2013, between the Company and ArkOrion Enterprises Inc., a company wholly owned by Adam Kniec; and
2. Consulting Agreement effective January 1, 2010, as amended on September 1, 2013, between the Company and Chelmer Consulting Corp., a company wholly owned by Darren Devine.

Neither the Company, nor its subsidiaries, have a contract, agreement, plan or arrangement that provides for payments to an NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

#### **DIRECTOR COMPENSATION**

Other than compensation paid to the NEOs, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the most recently completed year ended.

The following table sets forth the details of compensation provided to the directors, other than the NEOs, during the Company's most recently completed financial year:

### Director Compensation Table

Name	Fees earned (\$) <sup>(2)</sup>	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Keith Hill <sup>(3)</sup>	29,138	Nil	Nil	Nil	Nil	Nil	29,138
Ian Gibbs	29,138	Nil	Nil	Nil	Nil	Nil	29,138
Nick Walker	29,138	Nil	Nil	Nil	Nil	Nil	29,138

Notes:

- (1) Relevant disclosure has been provided in the Summary Compensation Table for financial year ended September 30, 2016 above, for directors who receive compensation for their services as a director who are also Named Executive Officers.
- (2) During the year ended September 30, 2016, directors have earned directors' fees for their participation on the Board and various governance committees.
- (3) Keith Hill resigned as a director of the Company effective January 31, 2017.

### Narrative Discussion

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the year ended September 30, 2016 or subsequently, up to and including the date of this Circular.

### INCENTIVE PLAN AWARDS

#### Outstanding Share-Based Awards and Option-Based Awards

The Company does not have any share-based awards held by any director. At the end of the most recently completed financial year, there were no option-based awards held by the directors of the Company.

#### Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards were earned or vested by any director during the most recently completed financial year.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans, as at September 30, 2016:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in columns (a) and (b))</b>
Equity compensation plans approved by the securityholders	Nil	N/A	2,942,599
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>2,942,599</b>

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year of the Company.

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

No director or executive officer of the Company or any proposed nominee of Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors and the confirmation of the Stock Option Plan.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the persons who were directors or executive officers of the Company or a subsidiary at any time during the Company's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Company, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Company.

### **APPOINTMENT OF AUDITOR**

#### **Auditor**

Management intends to nominate PricewaterhouseCoopers LLP, Chartered Accountants, of Vancouver, BC, for re-appointment as auditor of the Company. Forms of proxies given pursuant to this solicitation will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the auditor of the Company to hold office for the ensuing year with remuneration to be fixed by the directors.

## MANAGEMENT CONTRACTS

Other than as disclosed elsewhere in this Circular, no Management functions of the Company are to any substantial degree performed by a person or company other than the directors or NEOs of the Company.

## AUDIT COMMITTEE

The Company is required to have an audit committee (the “**Audit Committee**”) comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. The Company's current audit committee consists of Ian Gibbs (chairman) and Darren Devine and does not presently comply with the foregoing requirement. Following the Meeting and the resignation of Ian Gibbs, the Company intends to appoint Darryl Cardey (chairman) and Helen Ko the new independent directors to the Audit Committee.

### **Audit Committee Charter**

The text of the Audit Committee's charter is attached as Schedule “A” to this Circular.

### **Composition of Audit Committee and Independence**

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Company's current Audit Committee members, Ian Gibbs is “independent” within the meaning of NI 52-110. Darren Devine is not “independent” as he is also Executive Vice President and Corporate Secretary and the acting President and CEO of the Company.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the members of the Audit Committee are “financially literate” as that term is defined. The following sets out the Audit Committee members' education and experience that is relevant to the performance of his responsibilities as an audit committee member.

### **Relevant Education and Experience**

#### *Mr. Devine*

Mr. Devine has been the director and a principal of CDM Capital Partners Inc., a private British Columbia company involved in the business of venture capital financing and investments, since April 2011. Mr. Devine is also the President of Chelmer Consulting Corp. a Canadian a corporate financing advisory group specializing in structuring, financing and listing of companies in the energy and natural resource sectors. Previously, Mr. Devine was a securities and M&A lawyer qualified in Canada and the UK. In addition, currently he is also an advisor, director and/or senior officer of numerous private and publicly listed companies in the resource and technology sectors.

#### *Mr. Gibbs*

Mr. Gibbs is the Chief Financial Officer of Africa Oil Corp. a company focused on oil and gas exploration in Africa. He was formerly the Chief Financial Officer of Tanganyika Oil Corp. a company

focused on heavy oil development in the Middle East, which was sold to Sinopec International Petroleum. He was also the former Chief Financial Officer of Valkyries Petroleum Corp., a Russia focused oil and gas company which he assisted in leading through a highly successful takeover. Mr. Gibbs is a Canadian Chartered Accountant and holds a Bachelor of Commerce degree from the University of Calgary. Mr. Gibbs as a Chartered Accountant has the ability to read and understand financial reporting especially as this relates to reporting company disclosure obligations under relevant securities laws.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

### **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

### **Audit Fees**

The following table sets forth the fees billed by the Company's auditors PricewaterhouseCoopers LLP, Chartered Accountants, in the last two fiscal years:

	<u>2016</u>	<u>2015</u>
	(\$)	(\$)
Audit fees <sup>(1)</sup>	53,000	67,000
Audit related fees <sup>(2)</sup> .....	21,182	9,860
Tax fees <sup>(3)</sup> .....	-	-
All other fees <sup>(4)</sup> .....	-	-
<b>Total</b>	<b><u>\$74,182</u></b>	<b><u>\$76,860</u></b>

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. These services would include due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.

- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

### **Exemption in Section 6.1**

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and Management consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company’s approach to corporate governance is set out below.

### **Board of Directors**

Management is nominating three individuals to the Board, all of whom are current directors of the Company.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. The “material relationship” is defined as a relationship which could, in the view of the Company’s Board, reasonably interfere with the exercise of a director’s independent judgement. All of the current members of the Board are considered “independent” within the meaning of NI 52-110, except for Darren Devine, who is the Executive Vice President of the Company.

## Directorships

The following director of the Company and nominee directors of the Company are also directors of other reporting issuers as stated:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Darren Devine	Dolly Varden Silver Corp. Gonzaga Resources Ltd. Woodrose Ventures Corporation Remo Resources Inc. TrackX Holdings Inc. Ethos Gold Corp.
Darryl Cardey	Millrock Resources Inc. Northern Empire Resources Corp. Precipitate Gold Corp. Woodrose Ventures Corporation Cairo Resources Inc. TrackX Holdings Corp.
Helen Ko	Woodrose Ventures Corporation Javelle Capital Corp.

## Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company; and
3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

## **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct and Ethics that is posted on its website at [www.pvecorp.com](http://www.pvecorp.com) and has instructed its management and employees to abide by the Code.

## **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

## **Compensation Committee**

The members of the Compensation Committee are Darren Devine, Ian Gibbs and Nick Walker. The Compensation Committee has responsibility for determining compensation for the directors and senior management. Following the Meeting and the resignation of Ian Gibbs and Nick Walker, the Company intends to appoint two new directors to the Compensation Committee.

To determine compensation payable, the Compensation Committee determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Company. The Corporation does not actively benchmark executive compensation against any peer group. This allows the Corporation to retain the flexibility to determine compensation for each executive officer on an individual basis. Furthermore, the board of directors annually reviews and approves the compensation packages, including salary level, bonus potential and entitlement and participation in long-term equity-based incentives, and the performance of all senior executives, including the Chief Executive Officer.

The Board has adopted a written charter that sets forth the responsibilities of the Compensation Committee and gives the Committee the authority to engage outside experts to assist in identifying potential candidates if considered advisable. A copy of the charter is posted on SEDAR.

## **Other Committees**

In addition to the Audit Committee and Compensation Committee, the Board has two other standing committees, being the Corporate Governance Committee and the Reserves Committee. The purpose of the Corporate Governance Committee is to monitor and to generally be responsible for developing the Company's governance and human resources policies and guidelines relating to corporate governance and human resources and overseeing their implementation and administration. The Reserves Committee has generally been given the responsibility for developing the Company's approach to the reporting of oil and gas resources and/or reserves and the valuation of those resources/reserves. The board of directors will not establish a Reserves Committee for the ensuing year as a result of the sale of the Company's oil and gas assets.

## **Assessments**

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other

Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Confirming Stock Option Plan**

Shareholders are being asked to confirm approval of the Stock Option Plan that was initially adopted by the directors of the Company on November 25, 2007. There have been no changes to the Stock Option Plan since it was adopted by the directors. The Stock Option Plan is subject to approval by the Exchange.

The following information is intended as a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

1. The maximum number of shares that may be issued upon the exercise of stock options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding common shares of the Company at the time of grant, the exercise price of which, as determined by the board of directors in its sole discretion, shall not be less than the closing price of the Company's shares traded through the facilities of the Exchange prior to the announcement of the option grant, or, if the shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the shares are listed or quoted for trading.
2. The board of directors shall not grant options to any one person in any 12 month period which will, when exercised, exceed 5% of the issued and outstanding shares of the Company or to any one consultant or to those persons employed by the Company who perform investor relations services which will, when exercised, exceed 2% of the issued and outstanding shares of the Company.
3. Upon expiry of an option, or in the event an option is otherwise terminated for any reason, the number of shares in respect of the expired or terminated option shall again be available for the purposes of the Stock Option Plan. All options granted under the Stock Option Plan may not have an expiry date exceeding five years from the date on which the board of directors grant and announce the granting of the option.
4. If the option holder ceases to be a director of the Company or ceases to be employed by the Company (other than by reason of death or disability), or ceases to be a consultant of the Company as the case may be, then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director, ceases to be employed by the Company or ceases to be a consultant of the Company, subject to the terms and conditions set out in the Stock Option Plan.

In accordance with the policies of the Exchange, a plan with a rolling 10% maximum must be confirmed by shareholders at each annual general meeting.

Accordingly, at the Meeting, the shareholders will be asked to pass the following resolution:

**"IT IS RESOLVED THAT the Stock Option Plan is hereby approved and confirmed."**

### **Consolidation of Common Shares**

At the Meeting, the Company's shareholders will be asked to consider, and if thought appropriate, to pass a special resolution amending the Company's authorized share capital by consolidating the Company's

issued and outstanding common shares in the capital of the Company on the basis of up to twenty (20) old common shares of the Company for one (1) new common share of the Company (the “**Consolidation**”).

Management believes that the number of post-Consolidation common shares will be more appropriate given the Company’s capitalization and will allow the Company greater possibilities with respect to needed future financings. As of the date hereof, the Company has 29,425,994 common shares without par value issued and outstanding. If the Consolidation is effected on a twenty (20) to one (1) basis, the proposed Consolidation will reduce the number of issued and outstanding common shares without par value to approximately 1,471,299 common shares without par value before taking into account any fractional shares resulting from the Consolidation which will be converted into whole shares as follows:

(a) any fractional shares arising upon the Consolidation comprising less than one-half of one share will be deemed to have been tendered by the registered owner to the Company for cancellation, and will be returned to the authorized but unissued share capital of the Company; and

(b) any fractional shares arising upon the Consolidation comprising greater than or equal to one-half of one share will be converted into one whole share.

It is anticipated that a letter of transmittal containing instructions with respect to the surrender of share certificates for the Company’s pre-Consolidation common shares without par value will be furnished to the shareholders of the Company for use in exchanging their share certificates. Following the return of a properly completed and executed letter of transmittal, together with the share certificate for the pre-Consolidation common shares, the certificates for the appropriate number of post-Consolidation common shares without par value will be issued.

The Board has determined that the approval of the Consolidation is in the best interests of the Company and its shareholders and accordingly, the Board recommends that shareholders vote in favour of the Consolidation. In the absence of contrary directions, the management designees of the Company intend to vote proxies in the accompanying form of proxy in favour of the special resolution approving the Consolidation. The Consolidation is subject to TSX Venture Exchange (the “**Exchange**”) approval.

### ***Shareholder Approval Requirements***

In accordance with the Articles of the Company, to be effective, the approval of the Consolidation requires approval by a special resolution passed by the shareholders of the Company at a general meeting. A special resolution is a resolution passed by a majority of not less than two-thirds of the votes cast in person or by proxy. Accordingly, the Company’s shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, a special resolution as follows:

“RESOLVED, as a special resolution, that, subject to Exchange approval:

(a) the issued share capital of the Company be altered at a date to be determined by the board of directors of the Company by consolidating all of the issued and outstanding common shares without par value on the basis of up to twenty (20) pre-consolidated common shares for one (1) post-consolidated Common Share (the “**Consolidation**”);

(b) any fractional shares of the Company arising upon the Consolidation be converted into whole shares of the Company as follows: (i) any fractional shares arising upon the Consolidation comprising less than one-half of one share will be deemed to have been tendered by the registered owner to the Company for cancellation, and will be returned to the authorized but unissued share

capital of the Company; and (ii) any fractional shares arising upon the Consolidation comprising greater than or equal to one-half of one share will be converted into one whole share.

- (c) following receipt of final approval by the Exchange, the directors of the Company, in their sole and complete discretion, may act upon this special resolution to effect the Consolidation and to determine the actual Consolidation ratio (such ratio not to exceed twenty (20) old common shares for one (1) new common share), or if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this special resolution notwithstanding shareholder approval of the Consolidation; and
- (d) any one director or officer of the Company, signing alone, be authorized to execute and deliver, under the corporate seal of the Company or otherwise, all such documents and instruments and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.”

### **Reduction of Capital and Return of Capital**

#### *Background*

In January 2016, the Company completed the sale of its principal asset, being all of the issued and outstanding shares of Petro Vista Energy Petroleo do Brasil Ltda (“**PVEB**”). PVEB holds a 37.5% undivided working interest in the exploration and production contract covering the Tartaruga offshore hydrocarbon development block, located in the Sergipe Alagoas Basin in Brazil. Upon completion of the sale, the Company received a net cash payment of \$2,313,445.

With the completion of the sale transaction, the Company now proposes to reduce its capital (the “**Reduction of Capital**”), pursuant to section 74(1) of the *Business Corporations Act* (British Columbia), by an amount equal to 100% of the Company’s cash, less outstanding liabilities and less \$50,000 (the “**Cash Balance**”) and to distribute the Cash Balance to the Company’s shareholders (the “**Return of Capital**”). The Return of Capital would be on a *pro rata* basis whereby shareholders of the Company would receive a *pro rata* share of the Cash Balance calculated on the basis of their respective percentage ownership of common shares in the Company. The Company’s shareholders will not be required to surrender or exchange common shares of the Company in order to receive their *pro rata* portion of the Cash Balance.

Pursuant to section 74(1) of the *Business Corporations Act* (British Columbia) the Reduction of Capital requires either a court order or the approval of the Company’s shareholders by a special resolution, subject to the requirements that there are no reasonable grounds for believing that the realizable value of the Company's assets would, after the Reduction of Capital, be less than the aggregate of its liabilities. Management believes that the Reduction of Capital and the Return of Capital are in the best interest of the Company and that there are no reasonable grounds for believing that the realizable value of the Company's assets would, after the Reduction of Capital, be less than the aggregate of its liabilities. The text of a resolution authorizing the Company to reduce its stated capital (the “**Reduction of Capital Resolution**”) is set forth below.

Assuming the Company has received the approval of the Company’s shareholders by special resolution, as discussed above, Management expects the Reduction of Capital and the Return of Capital to take place as soon as practicable.

Based on current information and assumptions, Management estimates that the amount of the Cash Balance will be approximately \$1,350,000, which is equal to approximately \$0.046 per common share on

pre-consolidated basis (\$0.92 per common share on post-consolidated 20:1 basis). However, there can be no assurance that the information and assumptions underlying this estimate will prove to be accurate. The actual amount of the Cash Balance may vary from this estimate.

Accordingly, the Company is seeking shareholder approval for the proposed Reduction of Capital and Return of Capital in the approximate amount of \$0.046 per common share on pre-consolidated basis (\$0.92 per common share of the Company on post-consolidated 20:1 basis).

#### *Mechanics of the Reduction of Capital and Return of Capital*

The Reduction of Capital Resolution authorizes the Company to reduce its stated capital by the Cash Balance, by payment of a cash distribution of the sum of approximately \$1,350,000, *pro rata*, based on the respective numbers of common shares held, to all shareholders of the Company of record on the close of business on the 7<sup>th</sup> trading day after the date on which the Company has issued a news release disclosing that the Reduction of Capital Resolution has been approved by the shareholders and accepted by the Exchange (the “**Reduction of Capital Record Date**”).

Therefore in order to participate in the Reduction of Capital and Return of Capital, any new investors must purchase common shares of the Company more than two trading days prior to the Reduction of Capital Record Date. Thereafter, the common shares of the Company will trade on an “ex-dividend” basis (i.e. without the right to participate in the Reduction of Capital and Return of Capital).

As noted above, it is anticipated that the Reduction of Capital and Return of Capital will occur as soon as practicable following the Reduction of Capital Record Date through the Return of Capital to shareholders of the Company of record as of the Reduction of Capital Record Date. Shareholders whom hold common shares of the Company will not be required to surrender or exchange such common shares in order to receive the Cash Balance or to take any other action in connection with such distribution.

The Company has appointed Computershare as its agent to complete the Return of Capital. In the event that Computershare is unable to contact any holders of common shares as of the Reduction of Capital Record Date, then the funds that would otherwise have been distributed to the holders of such shares shall be held by Computershare. In the event that such funds are not claimed with appropriate supporting documentation within a period of 24 months from the Reduction of Capital Record Date, the holder’s right to receive a portion of the Cash Balance shall terminate and the remaining funds shall be returned to the Company by Computershare.

Notwithstanding approval by the shareholders of the Reduction of Capital Resolution, the directors of the Company may, in their discretion, determine not to proceed with the Reduction of Capital and Return of Capital.

#### *Certain Canadian Federal Income Tax Considerations*

The following summary describes the principal Canadian federal income tax considerations generally applicable to shareholders who receive a portion of the Cash Balance in connection with the Return of Capital by the Company and who, for the purposes of the Income Tax Act (Canada) (the “**Tax Act**”), are individuals resident in Canada, deal at arm’s length with the Company and hold their common shares as capital property. Generally, common shares will be considered to be capital property to a shareholder provided that the shareholder does not hold such shares in the course of carrying on a business of trading or dealing in securities and has not acquired such securities in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act in force as of the date hereof and an understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (“CRA”).

Shareholders of the Company will only be considered to have received a dividend if the Cash Balance exceeds the amount of the stated capital in respect of the shareholder’s common shares. The Company does not expect that the distribution of the Cash Balance will exceed the stated capital of the common shares of the Company.

The value of the Cash Balance received by a shareholder (other than any amount deemed to be a dividend as described above) should not be included in the shareholder’s income, but should be deducted from the shareholder’s adjusted cost base (and paid-up capital) of his or her common shares of the Company. To the extent that the reduction exceeds the adjusted cost base of a shareholder’s common shares as otherwise determined, the holder will be deemed to have realized a capital gain equal to such excess and the adjusted cost base of the shareholder’s common shares will be nil.

No advance income tax ruling has been sought or obtained from CRA to confirm the tax consequences of the Return of Capital to shareholders. It is recommended that all shareholders should obtain their own advice concerning the tax consequences of the Return of Capital.

#### *U.S. and Other Foreign Jurisdictions Shareholder Considerations*

The Company has not sought advice from US or any other foreign jurisdictions legal counsels with respect to the Return of Capital, therefore shareholders who are non-residents of Canada should consult their own legal and accounting professionals for advice as to the impact of their country of residence laws upon the proposed Return of Capital

#### *Recommendation of the Board of Directors*

The Board believes that the Reduction of Capital and the Return of Capital is in the best interest of the Company and accordingly, the Board recommends that shareholders of the Company vote “**FOR**” the Reduction of Capital Resolution. **Unless instructions are given to vote against the Reduction of Capital Resolution, the persons whose names appear on the enclosed proxy form will vote FOR the approval of the Reduction of Capital Resolution.**

#### *Special Resolution*

In order to pass the Reduction of Capital Resolution, at least two-thirds of the votes cast in person or by proxy by the Company’s shareholders at the Meeting, or at any adjournment thereof, must vote in favour of the Reduction of Capital Resolution.

The text of the Reduction of Capital Resolution to be voted on at the Meeting is set forth below:

#### **“WHEREAS:**

- A. the Petro Vista Energy Corp. (the “**Company**”) proposes to distribute 100% of the Company’s cash, less outstanding liabilities and less \$50,000, which is estimated to be approximately \$1,350,000 (the “**Cash Balance**”) to shareholders of the Company pro rata based on the respective number of common shares in the authorized share structure of the Company held by such shareholders as of the Reduction of Capital Record Date (hereinafter defined);

- B. the board of directors of the Company has reasonable grounds to believe that the realizable value of the Company's assets would, after deducting the Return of Capital Amount, be greater than the aggregate of its liabilities; and
- C. the *Business Corporations Act* (British Columbia) provides that the Company may reduce its stated capital (the "**Reduction of Capital**") if the reduction of capital is approved by a special resolution of shareholders.

**BE IT RESOLVED, as a special resolution, that:**

1. a reduction in the stated capital of the Company, subject to the terms described in the Company's Information Circular dated February 24, 2017, by an amount equal to the Cash Balance through a cash distribution to shareholders of the Company of record as of the close of business on the 7<sup>th</sup> trading day after the date on which the Company has issued a news release disclosing that a resolution authorizing the Company to reduce its stated capital has been approved by the shareholders ("**Reduction of Capital Record Date**") be authorized and approved;
2. Any director or officer of the Company be and is hereby authorized, empowered and directed for and on behalf of the Company, fix or amend the amount of the Reduction of Capital in their discretion, to execute (under corporate seal or otherwise) and deliver, as the case may be, the Cash Balance and all other deeds, documents, and writings and to do all things as such director or officer considers necessary or desirable to give effect to these resolution;
3. Any director or officer of the Company be and is hereby authorized to make such amendments in order to satisfy the requirements of any regulatory authority without requiring further shareholder approval and to fully carry out these resolutions subject to such amendments, additions, deletions and changes as any director or officer of the Company may, in their sole discretion or as a requirement of a regulatory body, consider necessary or desirable, which includes abandoning the Reduction of Capital or the Return of Capital, without further approval of the shareholders of the Company; and
4. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors of the Company be and are hereby authorized and empowered to determine the date to implement this special resolution, or to revoke this special resolution at any time before it is acted upon, and to determine not to proceed with the reduction of its stated capital without further approval of the shareholders of the Company."

**General Matters**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

**ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's comparative annual financial statements for September 30, 2016 a copy of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information

concerning the Company may be obtained by any security holder of the Company free of charge by contacting the Company, at +1-604-638-8063.

**BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 24<sup>th</sup> day of February, 2017.

**ON BEHALF OF THE BOARD**

*“Darren Devine”*

Darren Devine  
Director

**PETRO VISTA ENERGY CORP.**

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**Schedule "A"**  
**Audit Committee Charter**

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**I. MANDATE**

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Petro Vista Energy Corp. (the "**Corporation**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Corporation's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Corporation's independent external auditor (the "**Auditor**"); and
4. The performance of the Corporation's internal accounting procedures and Auditor.

**II. STRUCTURE AND OPERATIONS**

A. Composition

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Corporation or of an affiliate of the Corporation.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Corporation's balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the By-laws of the Corporation, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

**III. DUTIES**

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Corporation's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

*Independence of Auditor*

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Corporation, consistent with Independence Standards Board Standard 1.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Corporation.

*Performance & Completion by Auditor of its Work*

5. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
6. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Corporation's shareholders of the existing, Auditor.
7. Pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Corporation by the Auditor unless such non-audit services:
  - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Corporation to the Auditor during the fiscal year in which the non-audit services are provided;
  - (b) were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (c) are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

*Internal Financial Controls & Operations of the Corporation*

8. Establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

*Preparation of Financial Statements*

9. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.
10. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation's financial statements or accounting policies.
11. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
12. Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.
13. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
  - (a) The adoption of, or changes to, the Corporation's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
  - (b) The management inquiry letter provided by the Auditor and the Corporation's response to that letter.
  - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

*Public Disclosure by the Corporation*

15. Review the Corporation's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Corporation publicly discloses this information.

16. Review the Corporation's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
17. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process of the Corporation's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Corporation's internal controls.

*Manner of Carrying Out its Mandate*

18. Consult with the Auditor, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
19. Request any officer or employee of the Corporation or the Corporation's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
20. Meet with management, any internal auditor and the Auditor in separate executive sessions at least quarterly.
21. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
22. Make regular reports to the Board.
23. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
24. Annually review the Committee's own performance.
25. Provide an open avenue of communication among the Auditor, the Corporation's financial and senior management and the Board.
26. Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.