

**MOUNTAINVIEW ENERGY LTD.**  
**Notice of Annual and Special Meeting of Shareholders**  
**to be held on December 8, 2015**

Notice is hereby given that the annual and special meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**") of Mountainview Energy Ltd. (the "**Corporation**") will be held at the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 – 8<sup>th</sup> Avenue SW, Calgary, Alberta on December 8, 2015 at 1:00 p.m. (Calgary time) to:

1. receive and consider the financial statements of the Corporation for the fiscal year ended December 31, 2014, together with the auditor's report thereon;
2. fix the number of directors of the Corporation to be elected at the Meeting at four (4) directors;
3. elect four (4) directors of the Corporation for the ensuing year;
4. appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the auditor's remuneration;
5. consider and, if deemed advisable, to pass an ordinary resolution approving the Corporation's stock option plan, all as more particularly described in the accompanying management information circular and proxy statement of the Corporation dated November 6, 2015 (the "**Information Circular**"); and
6. transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

**Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and deposit it with the Corporation's transfer agent, Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 or by facsimile at 1-866-249-7775. In order to be valid and acted upon at the Meeting, the form of proxy must be returned to Computershare Trust Company of Canada not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the holding of the Meeting or any adjournment thereof. Shareholders are cautioned that the use of mail to transmit proxies is at each Shareholder's risk.**

Only Shareholders of record at the close of business on November 6, 2015 (the "**Record Date**") are entitled to receive notice of the Meeting and to vote those shares included on the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he or she owns such shares, demands, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

The Information Circular relating to the business to be conducted at the Meeting accompanies this Notice of Annual and Special Meeting of Shareholders.

**DATED** at Calgary, Alberta this 6<sup>th</sup> day of November, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*Patrick M. Montalban*"

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Patrick M. Montalban

President, Chief Executive Officer and a Director

**MOUNTAINVIEW ENERGY LTD.**

**MANAGEMENT INFORMATION CIRCULAR AND  
PROXY STATEMENT DATED NOVEMBER 6, 2015**

**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 8, 2015**

**Solicitation of Proxies**

This management information circular and proxy statement ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Mountainview Energy Ltd. (the "**Corporation**" or "**Mountainview**") for use at the annual and special meeting of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation (the "**Meeting**") to be held on December 8, 2015 at 1:00 p.m. (Calgary time) at the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 – 8<sup>th</sup> Avenue SW, Calgary, Alberta, and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting as at the close of business on November 6, 2015 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included on the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**The persons named in the enclosed form of proxy are directors and officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the form of proxy, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided in the form of proxy.** In order to be effective, the form of proxy must be deposited with Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation, at Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 or by facsimile at 1-866-249-7775 Attention: Christian Carvacho not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the holding of the Meeting or any adjournment thereof.

Unless otherwise stated, the information in this Information Circular is given at November 6, 2015. Further, all monetary amounts are expressed in Canadian dollars unless otherwise stated.

**Advice to Beneficial Holders of Securities**

The information set forth in this section is of significant importance to you if you do not hold Common Shares in your own name. Only proxies deposited by Shareholders whose names appear on our records as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often the form of proxy supplied by your broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. or another intermediary. If you receive a voting instruction form from Broadridge Financial Solutions, Inc. or another intermediary, the voting instruction form cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported as provided in the voting instruction form) as described in the voting instruction form well in advance of the Meeting in order to have the Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

### **Revocability of Proxy**

You may revoke your proxy at any time prior to the Meeting. If you or the person to whom you give your proxy attends personally at the Meeting, you or such person may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited at our head office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

### **Persons Making the Solicitation**

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, Notice of Annual and Special Meeting of Shareholders and this Information Circular. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

### **Exercise of Discretion by Proxyholder**

The Common Shares represented by proxy in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted in accordance with the specification so made. **In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon at the Meeting. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Annual and Special Meeting of Shareholders. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

## **VOTING COMMON SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preference shares without nominal or par value. As at November 6, 2015 there were 87,820,443 Common Shares issued and outstanding and no preference shares were issued or outstanding.

As a holder of Common Shares, you are entitled to one vote for each Common Share you own.

Other than as disclosed below, to the knowledge of our directors and officers, as of the date of this Information Circular, there is no person or company who beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the votes attached to all of the issued and outstanding Common Shares.

Shareholder	Common Shares beneficially owned, or controlled or directed, directly or indirectly	Percentage of the Common Shares represented by the number of Common Shares so owned, or controlled or directed, directly or indirectly
James R. Arthaud	15,284,932 <sup>(1)</sup>	17.4%
Carter A. Stewart	17,141,422 <sup>(2)</sup>	18.9%

Notes:

- (1) Includes 5,794,377 Common Shares registered in the name of MBI Oil & Gas, LLC, an entity controlled by Mr. Arthaud.  
 (2) Includes 7,450,867 Common Shares registered in the name of Stewart Geological, Inc., an entity controlled by Mr. Stewart.

### MATTERS TO BE ACTED UPON AT THE MEETING

The following are the matters to be acted upon at the Meeting:

#### Receipt of the Financial Statements and Auditor's Report

At the Meeting, our financial statements for the year ended December 31, 2014 and the auditor's report thereon will be placed before Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

#### Fixing the Number of Directors

At the Meeting, Shareholders will be asked to approve an ordinary resolution fixing the number of directors to be elected at the Meeting for the ensuing year at four (4), as may be adjusted between Shareholders' meetings by way of resolution of the Board.

#### Election of Directors

At the Meeting, directors will be elected. Unless otherwise directed, management intends to vote proxies in favour of the election as directors of the four (4) nominees set forth below:

Carla Barringer	Bo Mikkelsen
Keith Macdonald	Patrick M. Montalban

Each director elected will hold office until the next annual general meeting, or until his successor is duly elected or appointed in accordance with the *Business Corporations Act* (Alberta), unless his office is earlier vacated.

Management does not contemplate that any of these 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 directors, **the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless you have specified in your proxy that your Common Shares are to be withheld from voting on the election of directors.**

The following information relating to the nominees as directors is based partly on our records and partly on information received by us from the nominees and sets forth the names, province and country of residence of all of the persons nominated for election as directors, the periods during which they have served as directors, their principal occupations during the five preceding years and the approximate number of Common Shares beneficially owned or controlled or directed, directly or indirectly, by each of them as of November 6, 2015.

Name, province or state, and country of residence, of each director and proposed director	Director since	Principal occupation for the past five years	Number of Common Shares beneficially owned, or controlled or directed, directly or indirectly
Patrick M. Montalban Montana, USA <sup>(3)(4)</sup>	July 18, 2007	Director, President & Chief Executive Officer of Mountainview	6,406,460 <sup>(5)</sup>
Bo Mikkelsen <sup>(1)(2)(3)</sup> Oklahoma, USA	June 17, 2003	President of Engine Technology Support, Inc., which applies patented emission control technology to industrial fuelled lean burn engines  Consulting oil & gas engineer for past 44 years covering North and South America, Europe and North Africa	125,000
Carla Barringer <sup>(1)</sup> Montana, USA	June 17, 2004	Director, Secretary and Treasurer of Mountainview	250,000
Keith Macdonald <sup>(1)(2)(3)</sup> Alberta, Canada	December 31, 2010	President and a director of Bamako Investment Management Ltd., a private investment and financial consulting company	500,000 <sup>(6)</sup>

## Notes:

- (1) Member of the audit committee of the Board (the "**Audit Committee**").
- (2) Member of the governance and compensation committee of the Board (the "**Compensation Committee**").
- (3) Member of the reserve, environmental, health and safety committee (the "**Reserve, Environmental, Health and Safety Committee**").
- (4) Mr. Montalban also beneficially owns, or controls or directs, directly or indirectly, 7,822,727 class "B" common shares of Mountainview Energy (USA) Ltd., a subsidiary of the Corporation, which are convertible in accordance with their terms into Common Shares on a one for one basis.
- (5) (i) 50,000 of such Common Shares are registered to Montalban Oil & Gas Operations Inc. and are indirectly held by Mr. Montalban; and (ii) 1,903,710 of such Common Shares are registered to Joseph Montalban and are indirectly held by Mr. Montalban.
- (6) Bamako Investment Management Ltd., a company over which Mr. Macdonald exercises control, directly holds all of such Common Shares.

***Cease Trade Orders***

To the knowledge of management, no proposed director of Mountainview is, as at the date of the Information Circular or has been, within the last ten years prior to the date of the Information Circular, a director, chief executive officer or chief financial officer of any company (including Mountainview) that:

- (a) was subject to a cease trade order, or similar order, or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days and was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, or similar order, or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days and was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

***Bankruptcies***

To the knowledge of management, no proposed director of Mountainview:

- (a) is as at the date of the Information Circular, or has been within the last ten years prior to the date of the Information Circular, a director or executive officer of any company (including Mountainview) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was

subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (b) has, within the last ten years prior to the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### ***Penalties and Sanctions***

To the knowledge of management, no proposed director of Mountainview has been subject to:

- (a) 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) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **Appointment of Auditor**

The auditor of the Corporation is PricewaterhouseCoopers LLP. At the Meeting, Shareholders will be asked to consider and, if thought desirable, approve an ordinary resolution to engage the services of PricewaterhouseCoopers LLP, Chartered Accountants, to act as our auditor until the next annual general meeting of our Shareholders and to authorize our directors to fix PricewaterhouseCoopers LLP's remuneration as auditor.

### **Approval of the Stock Option Plan**

Pursuant to TSX Venture Exchange ("**TSXV**") Policy 4.4 – *Incentive Stock Options* (the "**Option Policy**"), the Corporation is permitted to maintain a "rolling" stock option plan reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options ("**Options**"). In accordance with the Option Policy, rolling option plans must receive Shareholder approval yearly at the Corporation's annual meeting.

Effective August 23, 2012, the Board passed a resolution approving an amended and restated stock option plan ("**Stock Option Plan**"), which was subsequently approved by Shareholders at the Corporation's last Shareholder meeting held on November 20, 2014. Shareholders will therefore be asked at the Meeting to consider and, if thought advisable, to ratify and approve an ordinary resolution re-approving the Stock Option Plan (the "**Option Plan Resolution**").

The Stock Option Plan provides for the granting of Options to purchase Common Shares of the Corporation to "service providers" of the Corporation, which includes directors, officers, employees and consultants of the Corporation (as permitted by applicable law). The Stock Option Plan is administered by the Board. Options may be granted at the discretion of the Board or any such committee, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan. The number of Common Shares issuable upon exercise of the Options granted under the Stock Option Plan is not more than 10% of the number of Common Shares that are issued and outstanding at the time of grant. The exercise price of Options granted under the Stock Option Plan will be fixed by the Board, provided that such exercise price must not be less than the Discounted Market Price, as defined in the Stock Option Plan.

Historically, Options have vested immediately on the date of grant; however, unless otherwise determined by the Board at the time of the grant, the Options granted under the Stock Option Plan will vest as to one-third on each of the first, second and third anniversaries of the date of grant and expire on the fifth anniversary of the date of grant.

Below is the text of the Option Plan Resolution:

"BE IT RESOLVED as an ordinary resolution of the shareholders of Mountainview Energy Ltd. (the "**Corporation**") that:

1. the amended and restated stock option plan of the Corporation be and the same is hereby ratified, confirmed and approved; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

Unless a Shareholder indicates otherwise, the voting rights attached to the Common Shares represented by the proxy given to our management will be voted IN FAVOUR of the Option Plan Resolution.

### **Other Matters**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting of Shareholders. However, if any other matter properly comes before the Meeting, each duly completed and submitted form of proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

##### *Introduction*

The following is a discussion of the significant elements of the Corporation's compensation program for executive officers, including Named Executive Officers (as defined herein). In accordance with applicable securities laws, the meaning of "**Named Executive Officer**" includes the Chief Executive Officer, the Chief Financial Officer, and each of the three most highly compensated executive officers whose total compensation was, individually, more than \$150,000 in the most recently completed financial year.

Mountainview's compensation policies are founded on the principle that compensation should be aligned with the interests of the Shareholders, while also recognizing that Mountainview's corporate performance is dependent on retaining highly trained, experienced and committed executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the business. Mountainview's compensation policies also recognize that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences from time to time.

The main objectives of Mountainview's executive compensation program are to attract, recruit and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align their interests with the long-term interests of the Shareholders. In approaching these key objectives, the Board recognizes that compensation based on performance promotes the Corporation's continued growth in production, reserves, funds from operations and earnings on an absolute and per share basis.

### ***Compensation Governance***

On February 24, 2011, the Board formed the Compensation Committee composed entirely of independent directors. The Compensation Committee is involved in the implementation and oversight of the human resources and compensation policies that it recommends, specifically those concerning executive compensation, employment agreements, stock option plans and performance warrants and those concerning proposed changes involving officers reporting to the President and Chief Executive Officer.

The Compensation Committee endeavours to ensure that the Corporation has programs in place to attract and develop quality management personnel and a process to provide for the orderly succession of management. It sets the annual salary, bonus, and other benefits of the Chief Executive Officer and approves the compensation for all other designated officers.

### ***Executive Compensation Principles***

The Corporation's compensation program is primarily designed to reward performance and, accordingly, the performance of the Corporation and the Corporation's paid executives (and other executive officers who may become paid employees of the Corporation at a future date) are examined by the Compensation Committee in conjunction with setting executive compensation packages. Each year the total compensation of the Named Executive Officers is reviewed by the Compensation Committee to ensure that compensation is reasonable, competitive and effective based on committee member compensation experience and review of available public market data. Together with the market data, the individual performance and development of each Named Executive Officer (other than the Chief Executive Officer) is assessed by the Chief Executive Officer, and a recommendation is made to the Compensation Committee for the appropriate salary and annual incentive for each individual. The Compensation Committee then reviews these recommendations, in conjunction with its own review of the Corporation's performance, executive performance, and market data and a recommendation is made to the Board by the Compensation Committee for the compensation package payable to each of the Named Executive Officers for the Board's approval.

There are no specific performance objectives set by the Compensation Committee in assessing the performance of the Named Executive Officers and there are no identifiable quantitative performance goals that are required to be met by a Named Executive Officer. In assessing the performance of the Corporation and its executive officers, the Board and Compensation Committee considers some of the following factors: (a) absolute and per share production growth; (b) finding costs (for both current and longer periods); (c) overall oil and gas reserve changes (proved and probable reserves); (d) funds from operations per share changes; and (e) the Corporation's performance for all of the above relative to its stated goals and objectives and in relation to the performance of other junior oil and gas companies.

Executive compensation currently consists of base salary and long term incentive compensation through participation in the Stock Option Plan. The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of Mountainview's executive compensation package. Each element of Mountainview's executive compensation program is described below.

For the year ended December 31, 2014, Mountainview's Named Executive Officers were Patrick Montalban (President and Chief Executive Officer), Justin Balkenbush (Vice President, Operations), Joseph Montalban (Vice President, Business Development) and Brent Osmond (former Vice President, Finance and Chief Financial Officer). Brent Osmond ceased to be Vice President, Finance and Chief Financial Officer effective June 2, 2015. Subsequently, Kathryn Hylland was appointed Interim Vice President, Finance and Chief Financial Officer.

### **Elements of the Corporation's Executive Compensation Program**

#### ***Base Salaries***

The Board recognizes that the size of the Corporation prohibits matching base salary compensation for officers to those base salaries paid by larger companies in the oil and gas industry. The Board does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's officers, and that long-term incentive compensation, in the form of Options, compensate for lower



base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

As a result of the Company's current financial challenges and low oil pricing environment, the CEO's annual salary has been reduced to \$143,219. In addition, base salaries for all employees have either been frozen at current levels or reduced.

The base salary component of the Corporation's compensation program is intended to provide a fixed level of competitive pay that reflects the executive's primary duties, responsibilities and experience. It also provides a foundation upon which performance-based incentive compensation elements are assessed and established. The Corporation intends to pay a base salary that is competitive but consistent with a junior oil and gas company's early growth phase. The Compensation Committee considers comparable companies in the oil and gas industry and also relies on the experience of its members and their involvement as directors and officers of other startup junior companies. The Compensation Committee consists of highly experienced executives, directors and businessmen who have dealt with numerous compensation issues in the course of their leadership roles. Specifically, Messrs. Keith Macdonald and Bo Mikkelsen have skills and experience pertaining to executive compensation matters by virtue of their roles as directors and officers of public and private companies and their advisory roles that have provided them with direct and indirect capital markets experience. The Board believes that the Compensation Committee collectively has the skills, knowledge, experience and background required to make decisions on the suitability of the Corporation's compensation policies and practices.

#### ***Incentive Compensation – Stock Options***

Options are granted under the Stock Option Plan to directors, officers, employees and consultants, and are intended to align director, executive, employee, consultant and Shareholder interests by attempting to create a direct link between compensation and Shareholder return. Participation in the Stock Option Plan rewards overall corporate performance, as measured with reference to the price of the Common Shares, which are traded on the TSXV. In addition, the Stock Option Plan enables executives to develop and maintain a significant ownership position in the Corporation. The outstanding amount of previously granted Options to an individual is taken into account when considering new Option grants.

#### ***Other Information Regarding Executive Compensation***

Other than as disclosed below, the Corporation does not have any written policies which prohibit a Named Executive Officer or director from purchasing 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 Named Executive Officer or director.

Directors, officers and all employees of the Corporation must not knowingly sell, directly or indirectly, a security of the Corporation if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of the Corporation must not, directly or indirectly, buy or sell a call or put in respect of a security of the Corporation. Notwithstanding these prohibitions, directors, officers and employees of the Corporation may sell a security which such person does not own if such person owns another security convertible into such security or an option or right to acquire such security sold and, within ten (10) days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the securities so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

### ***Risk Adjusted Compensation***

As part of its review of the Corporation's compensation program, the Compensation Committee considered whether the compensation program provided executive officers of the Corporation with adequate incentives to achieve both short and long term objectives without motivating them to take inappropriate or excessive risk. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of the Option Plan provides that the Board may determine the vesting periods for Options up to five (5) years from the date of grant; by having staggered prospective vesting periods, executive officers are encouraged to continue to develop favourable results over a longer period of time and reduces the risk of actions which may have short term advantages; (b) a portion of executive compensation in the form of bonuses is not guaranteed and is variable year over year. The Board has discretion to pay bonuses to Named Executive Officers based on recommendations made by the Compensation Committee, which recommendations are based on a variety of matters including internal corporate, administrative, operating and financial and reserve addition performance; (c) the Corporation's compensation program for certain executive officers is not structured significantly differently from the compensation program for other executive officers within the Corporation; and (d) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies.

### **Summary Compensation Table**

The following table sets forth all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, for the fiscal years ended December 31, 2014, 2013 and 2012 to Mountainview's Named Executive Officers – the President and Chief Executive Officer, the Vice President, Operations, the Vice President Business Development and the former Vice President, Finance and Chief Financial Officer of the Corporation. During the 2014 financial year, no other executive officer had a total compensation that was, individually, in excess of \$150,000 per annum.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)(3)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$) <sup>(5)</sup>	All other compensation <sup>(6)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(4)</sup>	Long-term incentive plans			
Patrick Montalban President and Chief Executive Officer	2014	159,132	N/A	Nil	1,000	Nil	N/A	7,000	167,132
	2013	154,500	N/A	Nil	4,100	Nil	N/A	4,000	162,600
	2012	135,566	N/A	123,559	Nil	Nil	N/A	3,500	262,625
Justin Balkenbush Vice President, Operations	2014	199,225	N/A	Nil	1,000	Nil	N/A	Nil	200,225
	2013	92,500	N/A	39,688	4,100	Nil	N/A	Nil	96,600
	2012	N/A	N/A	65,898	N/A	Nil	N/A	N/A	N/A
Joseph P. Montalban Vice President, Business Development	2014	96,444	N/A	Nil	1,000	Nil	N/A	Nil	97,444
	2013	60,344	N/A	Nil	4,100	Nil	N/A	Nil	64,444
	2012	N/A	N/A	112,027	N/A	Nil	N/A	N/A	N/A
Brent Osmond <sup>(7)</sup> Former Vice President, Finance and Chief Financial Officer	2014	167,500	N/A	Nil	1,000	Nil	N/A	5,520	174,020
	2013	Nil	N/A	119,065	Nil	Nil	N/A	Nil	Nil
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The Corporation does not offer any share-based awards.
- (2) Refers to Options granted under the Stock Option Plan. See "Statement of Executive Compensation – Incentive Compensation – Stock Options".
- (3) Option grants are accounted for using the fair value method. No Options were granted by the Corporation during the year ended December 31, 2014. For Options granted in 2013, the fair value of the Options granted on the grant date was obtained by multiplying the number of Options granted by their value established according to the Black-Scholes option pricing model. This value is the same as the fair value established in accordance with generally accepted accounting principles which was determined using the following assumptions: risk-free interest rate of 3.79%; average expected share option life of 5.0 years; average expected volatility of 40%; and a dividend per share of nil, resulting in a fair value per Option of \$0.48. Options granted in 2013 under the Stock Option Plan vest over a three year period from the date of grant and expire after a five year term. For Options granted in 2012, the fair value of the Options on the grant date was obtained by multiplying the number of Options granted by their value established according to the Black-Scholes option pricing model. This value is the same as the fair value established in accordance with generally accepted

accounting principles which was determined using the following assumptions: risk-free interest rate of 3.79%; average expected share option life of 5.0 years; average expected volatility of 40%; and a dividend per share of nil, resulting in a fair value per Option of \$0.48. Options granted in 2012 under the Stock Option Plan vest immediately on the date of grant and expire after a five year term.

- (4) Reflects cash bonuses received.
- (5) The Corporation does not have a pension plan or similar benefit program.
- (6) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year. All amounts included under the "all other compensation" column represent compensation paid to Mr. Montalban for services performed as a director of the Corporation and Mr. Osmond for health insurance benefits.
- (7) Mr. Osmond ceased to be the Vice President, Finance and Chief Financial Officer of Mountainview effective June 2, 2015.

## Incentive Plan Awards

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

The following table sets forth for each Named Executive Officer all option-based awards and all share-based awards outstanding at the year ended December 31, 2014.

Name	Option-based Awards <sup>(1)</sup>				Share-based Awards <sup>(2)</sup>		
	Number of securities underlying unexercised options (# of Common Shares)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(3)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Patrick Montalban	375,000 500,000	0.41 1.20	November 8, 2017 March 8, 2016	Nil Nil	N/A	N/A	N/A
Justin Balkenbush	200,000 100,000	0.41 0.51	November 8, 2017 December 23, 2018	Nil Nil	N/A	N/A	N/A
Joseph P. Montalban	340,000 260,000	0.41 1.20	November 8, 2017 March 8, 2016	Nil Nil	N/A	N/A	N/A
Brent Osmond <sup>(4)</sup>	300,000	0.48	December 22, 2018	Nil	N/A	N/A	N/A

Notes:

- (1) The option-based awards relate to those Options awarded pursuant to the Stock Option Plan.
- (2) The Corporation does not have any share-based awards.
- (3) On December 31, 2014, the market value of the underlying Common Shares was \$0.12. The value of the unexercised in-the-money Options is calculated based on the difference between the closing price of \$0.12 per Common Share on the TSXV on December 31, 2014 and the exercise price of the in-the-money Options (i.e., \$0.48 - \$0.41) multiplied by the number of in-the-money Options outstanding on December 31, 2014. As at December 31, 2014, all Options were out-of-the-money.
- (4) Mr. Osmond ceased to be the Vice President, Finance and Chief Financial Officer of Mountainview effective June 2, 2015. Subsequently, Kathryn Hylland was appointed as Interim Vice President of Finance and Chief Financial Officer.

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

The following table sets forth for each Named Executive Officer the value of the option-based awards and share-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(3)</sup> (\$)
Patrick M. Montalban	34,322	N/A	N/A
Justin Balkenbush	42,559	N/A	N/A
Joseph P. Montalban	31,119	N/A	N/A
Brent Osmond <sup>(4)</sup>	33,074	N/A	N/A

Notes:

- (1) This value represents the aggregate dollar value that would have been realized if the Options under the Stock Option Plan had been exercised on the vesting date.
- (2) The Corporation does not have any share-based awards.
- (3) The Corporation does not have any non-equity incentive plans.
- (4) Mr. Osmond ceased to be the Vice President, Finance and Chief Financial Officer of Mountainview effective June 2, 2015. Same Subsequently, Kathryn Hylland was appointed as Interim Vice President of Finance and Chief Financial Officer.

### ***Pension Plan Benefits***

The Corporation does not have a pension plan or similar benefit program.

### ***Termination and Change of Control Benefits***

As at December 31, 2014, the Corporation had no contract, agreement, plan or arrangement whereby any Named Executive Officer may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a change in the Name Executive Officer's responsibilities.

### **Director Compensation**

The following table sets forth information concerning the annual and long-term compensation in respect of the directors of the Corporation, other than the Named Executive Officers, for the fiscal year ended December 31, 2014. For details of the compensation for the Named Executive Officers who are also directors of the Corporation, see disclosure in "Summary Compensation Table" above.

#### ***Director compensation table***

Mountainview pays non-management directors \$500.00 for a regular meeting of the Board and \$1,000 for an annual meeting or special meeting of Shareholders. Directors may be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Each of the non-management directors also participate in the Stock Option Plan.

Name	Fees Earned (\$)	Share-based awards <sup>(1)</sup> (\$)	Option based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)	Pension value <sup>(4)</sup> (\$)	All other compensation (\$)	Total (\$)
Carla Barringer	2,500	N/A	N/A	N/A	N/A	95,356 <sup>(5)</sup>	97,856
Keith Macdonald	2,500	N/A	N/A	N/A	N/A	N/A	2,500
Bo Mikkelsen	2,500	N/A	N/A	N/A	N/A	N/A	2,500

Notes:

- (1) The Corporation does not have any share-based awards.

- (2) Refers to Options granted under the Stock Option Plan. See "Statement of Executive Compensation – Incentive Compensation – Stock Options". No Options were granted by the Corporation during the year ended December 31, 2014.
- (3) The Corporation does not have any non-equity incentive plans.
- (4) The Corporation does not have a pension plan or similar benefit program.
- (5) Ms. Barringer was paid such amount as salary (\$94,356) and bonus (\$1,000) for her services to the Corporation in her capacity as Corporate Secretary.
- (6) Compensation paid to Mr. Montalban, a Named Executive Officer, for services performed as a director of the Corporation is included in the "all other compensation" column contained in the "Summary Compensation Table" above.

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

The following table sets forth for each of Mountainview's directors, other than Named Executive Officers, all option-based awards outstanding at the end of the year ended December 31, 2014.

Name	Option-based Awards <sup>(1)</sup>				Share-based Awards <sup>(2)</sup>		
	Number of securities underlying unexercised options (# of Common Shares)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(3)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Carla Barringer	375,000 350,000	0.41 1.20	November 8, 2017 March 8, 2016	Nil Nil	N/A	N/A	N/A
Keith Macdonald	325,000 500,000	0.41 1.20	November 8, 2017 March 8, 2016	Nil Nil	N/A	N/A	N/A
Bo Mikkelsen	325,000 400,000	0.41 1.20	November 8, 2017 March 8, 2016	Nil Nil	N/A	N/A	N/A

Notes:

- (1) The option-based awards relate to Options granted pursuant to the Stock Option Plan.
- (2) The Corporation does not have any share-based awards.
- (3) On December 31, 2014, the market value of the underlying Common Shares was \$0.12. The value of the unexercised in-the-money Options is calculated based on the difference between the closing price of \$0.12 per Common Share on the TSXV on December 31, 2014 and the exercise price of the in-the-money Options multiplied by the number of in-the-money Options outstanding on December 31, 2014. As at December 31, 2014, all Options were out-of-the-money.

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

The following table sets forth for each of our directors, other than Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(3)</sup> (\$)
Carla Barringer	34,322	N/A	N/A
Keith Macdonald	29,746	N/A	N/A
Bo Mikkelsen	29,746	N/A	N/A

Notes:

- (1) This value represents the aggregate dollar value that would have been realized if the Options under the Stock Option Plan had been exercised on the vesting date. Options granted in 2014 under the Stock Option Plan vest over a three year period from the date of grant and expire after a five year term.
- (2) The Corporation does not have any share-based awards.
- (3) The Corporation does not have any non-equity incentive plans.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth aggregated information as at December 31, 2014 with respect to the Stock Option Plan, which is the only compensation plan under which equity securities of the Corporation are authorized for issuance to employees or non-employees such as directors and consultants.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options  (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))  (c)
Equity compensation plans approved by securityholders  Stock Option Plan <sup>(1)(2)</sup>	6,320,000	\$0.77	2,712,044
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	6,320,000	\$0.77	2,712,044

Notes:

- (1) The Stock Option Plan is a "rolling" option plan, which reserves a maximum of 10% of the Common Shares for Options. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan, and any exercises of Options will make new grants available under the Stock Option Plan. As of December 31, 2014, there were 87,820,443 Common Shares issued and outstanding.
- (2) Shareholders of the Corporation last approved the Stock Option Plan at the annual and special meeting of Shareholders of the Corporation held on November 20, 2014.

## INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

None of our (or our subsidiaries) directors, executive officers, employees or former executive officers, directors or employees is or has been at any time since the beginning of our most recently completed financial year, indebted to us or any of our subsidiaries nor is any indebtedness still outstanding, nor, at any time since the beginning of our most recently completed financial year, has any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Mountainview or any of our subsidiaries.

## CORPORATE GOVERNANCE DISCLOSURE

Set out below is a description of Mountainview's current corporate governance practices following the prescribed corporate governance disclosure in Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101").

### Board of Directors

Our Board currently consists of four individuals, two of whom are independent: Messrs. Macdonald and Mikkelsen.

Patrick M. Montalban is not an independent director as he is the President and Chief Executive Officer of the Corporation. Carla Barringer, Secretary and Treasurer of the Corporation, is not an independent director as she is employed by the Corporation.

For additional information about our directors, please see "*Matters to be Acted upon at the Meeting*".

Our Board facilitates its exercise of independent supervision over management by ensuring that a majority of directors qualify as independent directors pursuant to NI 58-101. Independent directors hold in camera sessions at most Board meetings at which non-independent directors and members of management are not in attendance.

### **Directorships**

The following directors are also directors of other reporting issuers (or the equivalent):

<b>Name</b>	<b>Other Reporting Issuers</b>
Keith Macdonald	Bellatrix Exploration Ltd. (TSX) Madalena Energy Inc. (TSXV) Surge Energy Inc. (TSX)

### **Orientation and Continuing Education**

The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new directors and the Board and senior management, complemented by presentations on the main areas of the Corporation's business. When required the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.

### **Ethical Business Conduct**

The Board believes that at the present time that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **Nomination of Directors**

It is expected that any new candidates will be identified having regard to: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. The Compensation Committee has been formed to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, analyzes the needs of the Board and recommends nominees who meet such needs.

### **Compensation**

The Compensation Committee is responsible for recommending compensation of executive officers and directors to the Board. In determining compensation, the Compensation Committee considers (i) committee member compensation experience and available public market data; and (ii) Mountainview's particular circumstances.

### **Other Board Committees**

The other standing committee of the Board is the Reserve, Environment, Health and Safety Committee. The function of this committee is to review the results of independent engineering appraisals of the Corporation's oil and gas reserves as well as review the Corporation's compliance with environmental and work place health and safety regulations.

## Assessments

The Board does not have any formal policies to evaluate the effectiveness of the Board, the Audit Committee and the individual directors.

## AUDIT COMMITTEE

### The Audit Committee's Charter

In response to National Instrument 52-110 – *Audit Committees* ("NI 52-110"), the Corporation has established an audit committee charter, which sets out the Audit Committee's overall purpose and objectives, authority, organization and roles and responsibilities. The full text of the Audit Committee's charter is attached hereto as Schedule A.

### Composition of the Audit Committee

The Audit Committee is comprised of Keith Macdonald, Bo Mikkelsen and Carla Barringer. Messrs. Macdonald and Mikkelsen are "independent" within the meaning of Section 1.4 of NI 52-110 and "financially literate" within the meaning of Section 1.6 of NI 52-110. Ms. Barringer, secretary and treasurer of the Corporation, is not "independent" as she is employed by the Corporation. Ms. Barringer is "financially literate" within the meaning of Section 1.6 of NI 52-110.

### Relevant Education and Experience

#### *Keith Macdonald*

Mr. Macdonald received his Bachelor of Commerce from the University of Calgary in 1978 and earned his Chartered Accountant Designation in 1980. He is currently a member of the Institute of Chartered Accountants of Alberta and the Canadian Institute of Chartered Accountants.

Mr. Macdonald is President of Bamako Investment Management Ltd., a private holding and financial consulting company. Mr. Macdonald is also a director of the following companies:

- Bellatrix Exploration Ltd., which is listed on the TSX;
- Madalena Energy Inc., which is listed on the TSXV; and
- Surge Energy Inc., which is listed on the TSX.

Mr. Macdonald serves as chair and/or member of the audit committees with all these companies.

#### *Bo Mikkelsen*

Mr. Mikkelsen has a Bachelor of Engineering (Mechanical) degree and a Master of Engineering (Mechanical) degree from the University of Manitoba granted in 1969 and 1971, respectively. He is currently a member of the Association of Professional Engineers and Geoscientists of Alberta, the Society of Petroleum Engineers and the American Society of Mechanical Engineers.

Prior to working with stationary engine emissions controls, Mr. Mikkelsen operated a consulting engineering firm, Dan-Bo Energy, established in 1976, which specialized in design and construction of natural gas processing facilities.

Mr. Mikkelsen is the Founder and President of Engine Technology Support, Inc. established in 1993. This company patented emission control technology to industrial, fuel lean burn engines. He has been President of Emissions Plus, Inc., since 1988, a company founded to apply the PSC System of emission control to industrial, gas fuelled rich burn engines.



## Pre-Approval Policies and Procedures

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

## External Auditor Service Fees

The following table sets forth the aggregate fees billed to the PricewaterhouseCoopers LLP, Chartered Accountants, for services rendered in the fiscal years ended December 31, 2014 and 2013.

	2013	2014
Audit fees <sup>(1)</sup>	\$125,000	\$105,000
Audit-related fees <sup>(2)</sup>	\$14,500	\$12,500
Tax fees <sup>(3)</sup>	Nil	Nil
All other fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$139,500</b>	<b>\$117,500</b>

Notes:

- (1) Audit fees include fees billed regarding the annual audit and the review of interim financial statements.
- (2) Audit-related fees includes amounts billed for assurance related services that are reasonably related to the performance of the audit or the review of interim financial statements that are not reported under "Audit fees".
- (3) Fees in connection with preparation of Canadian and U.S. tax returns.
- (4) Other fees charged by the auditors, including other non-audit products and services.

## Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 as the Corporation, as a venture issuer within the meaning ascribed thereto in NI 52-110, is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or, at any time during the most recently completed financial year, was a director or executive officer of the Corporation, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of any such director, executive officer or proposed nominee is, or at any time since the beginning of the last completed financial year, was indebted to the Corporation or any of its subsidiaries and no such persons' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, management is not aware of any material interest, direct or indirect, of any Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, proposed director, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On May 30, 2012, the Corporation entered into a promissory note payable to Carter Stewart, a major shareholder and Informed Person of the Corporation, for \$4,000,000, bearing interest at 9% per annum. The principal was originally due and payable on or before May 30, 2014, but has subsequently been extended to July 1, 2016. As at September 30, 2015, the balance due on the promissory note is \$3,850,000 plus accrued interest of \$1,298,589.

On May 30, 2012, the Corporation entered into a promissory note payable to James Arthaud, a major shareholder and Informed Person of the Corporation, for \$4,000,000, bearing interest at 9% per annum. The principal was originally due and payable on or before May 30, 2014 but has subsequently been extended to July 1, 2016. As at September 30, 2015, the balance due on the promissory note is \$4,000,000 plus accrued interest of \$1,339,976.

On March 12, 2013, the Corporation entered into two unsecured promissory notes payable to Carter Stewart, a major shareholder and Informed Person of the Corporation, and a company owned by Patrick M. Montalban, President, Chief Executive Officer and a Director of the Corporation, each for \$125,000 (total \$250,000), bearing interest at

5% per annum. The principal was originally due and payable on or before March 12, 2015 but has subsequently been extended to July 1, 2016. As at September 30, 2015, the balance due on the promissory notes is \$250,000 plus accrued interest of \$33,173.

On March 12, 2013 and May 21, 2013, the Corporation borrowed \$460,950 and \$272,204, respectively, from a company controlled by James Arthaud, a major shareholder and Informed Person of the Corporation. These unsecured loans bear interest at 9% per annum. As at September 30, 2014 there are no formal repayment terms for principal and interest. As at September 30, 2015, the balance due on the loans is \$709,153 plus accrued interest of \$171,281.

On May 28, 2012, the Corporation issued a \$2,072,053 convertible debenture to a company controlled 50% by Patrick M. Montalban, President and Chief Executive Officer and Director of the Corporation. The debenture is convertible into Common Shares at a price of \$2.50 per Common Share with a maturity date of June 1, 2013. During the second quarter of 2013, the debenture was cancelled and a new convertible debenture was issued to extend the maturity date to June 1, 2015, but has subsequently been extended to July 1, 2016. As at September 30, 2015, the outstanding principal amount of the convertible debenture is \$2,072,053 plus accrued interest of \$308,807.

#### **BOARD APPROVAL**

The Board has approved the contents, and sending of, this Information Circular to the Shareholders of the Corporation.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available under Mountainview's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com) as well as the Corporation's website at [mountainviewenergy.com](http://mountainviewenergy.com). Financial information respecting the Corporation is provided in the Corporation's comparative annual audited financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year. Copies of Mountainview's financial statements and MD&A are available upon request from Mountainview by email at [mvw@bresnan.net](mailto:mvw@bresnan.net).

## SCHEDULE A

### AUDIT COMMITTEE CHARTER

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of Mountainview Energy Ltd. (the "Company"):

#### 1. Overall Purpose/ Objectives

The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

#### 2. Authority

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of the Company officers at meetings as appropriate and to communicate directly with the Company's external auditors.

#### 3. Organization

##### Membership

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will not be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman.

##### Attendance at Meetings

The Audit Committee may invite such other persons (e.g. The President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

The proceedings of all meetings will be minted.

#### 4. Roles and Responsibilities

The Audit Committee will:

- Gain understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the general counsel whenever deemed appropriate.
- Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.
- Pay particular attention to complex and/ or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with the management and the external auditors to review the annual financial statements and the results of the audit.
- Review the interim financial statements and disclosures, and obtain explanations from management on whether:
  - actual financial results for the interim period varied significantly from budgeted or projected results;
  - generally accepted accounting principles have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices;
  - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
  - review the external auditors' proposed audit scope and approach and ensure no justifiable restriction or limitations have been placed on the scope.
- Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services brought by the company. The Board authorizes the Chairman of the Audit Committee to pre-approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.
- Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

- Establish a procedure for:
  - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Perform other functions as requested by the full Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set out the compensation to be paid to such special counsel or other experts.
- Review and recommend updates to the charter; receive approval of changes from the Board.