



2040 – 885 West Georgia Street  
Vancouver, B.C. V6C 3E8

## NOTICE OF ANNUAL GENERAL MEETING

**Take notice** that the annual general meeting of the shareholders (the “**Meeting**”) of TAG Oil Ltd. (the “**Company**”) will be held at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, on December 18, 2015, at 11:00 a.m. (Pacific Time), for the following purposes:

1. To receive the consolidated financial statements of the Company for its fiscal year ended March 31, 2015, and the report of the auditors thereon.
2. To fix the number of directors to be elected at the Meeting at six (6) and to elect directors to hold office until the next shareholders’ meeting of the Company.
3. To appoint De Visser Gray LLP as auditor of the Company to hold office until the next shareholders’ meeting of the Company and to authorize the directors to fix the remuneration to be paid to the auditor.
4. To consider any permitted amendment to or variation of any matter identified in this notice of the Meeting and to transact such other business as may properly come before the Meeting or any adjournment thereof.

A Management Information Circular (“**Information Circular**”) accompanies and is deemed to form part of this notice of the Meeting. The Information Circular contains details of matters to be considered at the Meeting. Additional information is also available free of charge on SEDAR at [www.sedar.com](http://www.sedar.com).

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy (the “**Proxy**”), or another suitable form of proxy, and deliver it in accordance with the instructions set out in the Proxy and in the Information Circular.

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required Proxy, you should contact the Company’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, by telephone (toll free) at 1-866-732-8683 or by e-mail at [service@computershare.com](mailto:service@computershare.com).

**Dated** at Vancouver, British Columbia, November 19, 2015.

**BY ORDER OF THE BOARD**

*“Toby Pierce”*

**Toby Pierce**  
Chief Executive Officer





2040 – 885 West Georgia Street  
Vancouver, B.C. V6C 3E8

## MANAGEMENT INFORMATION CIRCULAR

as at November 19, 2015

**This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of TAG Oil Ltd. (“TAG” or the “Company”) for use at the annual general meeting of its shareholders (the “Meeting”) to be held on December 18, 2015, at the time and place and for the purposes set forth in the accompanying notice of the Meeting. Except where otherwise indicated, the information contained herein is stated as at November 19, 2015.**

In this Information Circular, references to “TAG Oil Ltd.,” “TAG”, “the Company”, “we” and “our” refer to TAG Oil Ltd. “Common Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name, “Registered Shareholders” means shareholders whose names appear on the records of the Company as the registered holders of Common Shares and “intermediaries” refers to brokers, investment firms, clearing houses, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans and similar entities that own securities on behalf of Beneficial Shareholders.

### GENERAL PROXY INFORMATION

#### ***Solicitation of Proxies***

The form of proxy accompanying this Information Circular (the “**Proxy**”) is solicited by and on behalf of the management of the Company. The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally, by telephone or other means of communication and by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to Beneficial Shareholders and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### ***Appointment of Proxyholders***

The individuals named in the accompanying Proxy are officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.** The only methods by which you may appoint a person as proxy are submitting the Proxy, or other suitable form of proxy, by mail, hand delivery, fax, phone or by way of the Internet, as set out on the accompanying Proxy.

#### ***Voting by Proxyholder; Exercise of Discretion***

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly.



The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

### ***Registered Shareholders***

If you are a Registered Shareholder, you may wish to vote by Proxy whether or not you are able to attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy and then return it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, by phone at 1-866-732-8683, by way of the Internet at [www.investorvote.com](http://www.investorvote.com), or by mail or by hand at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, no later than 11:00 a.m. (Pacific Time) on December 16, 2015.

### ***Beneficial Shareholders***

The following information is of significant importance to many shareholders of the Company who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In the U.S., the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy or voting instruction form supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders of the Company. However, its purpose is limited to instructing the intermediaries on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in the U.S. and in Canada. Broadridge mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the Internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a**

**voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The voting instruction form must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

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

Alternatively, you can request in writing that your broker send you a legal proxy, which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

There are two kinds of Beneficial Shareholders: those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners); and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners).

The Company has decided to continue to take advantage of those provisions of National Instrument 54-101, *Communication with Beneficial Owners of Securities of Reporting Issuers* (“**NI 54-101**”) that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable voting instruction form (the “**VIF**”) from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as fully described on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive. The Company intends to pay for intermediaries to deliver the proxy related materials and related forms with respect to the Meeting to OBOs. The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined in N1 54-101.

**NOBOs should carefully follow the instructions of Computershare, including those regarding when and where to complete the VIFs that are to be returned to Computershare.** Should a NOBO wish to vote at the Meeting in person, the NOBO must insert the name of the NOBO in the space provided, and attend the Meeting and vote in person.

**NOBOs who wish to change their vote must contact Computershare to arrange to change their vote in sufficient time in advance of the Meeting.**

These shareholder materials are being sent to both Registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, 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 Common Shares on your behalf.

By choosing to send these shareholder 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 specified in the request for voting instructions.

Beneficial Shareholders with questions respecting the voting of shares held through a stockbroker or other financial intermediary should contact that stockbroker or other intermediary for assistance.



### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a Proxy, or other suitable form of proxy, may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Registered Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date or the notice of revocation to Computershare or at the head office of the Company at 2040-885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, or  
  
at the address of the Company's Attorney for Service in British Columbia at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

### **CURRENCY**

All currency amounts in this Information Circular are expressed in Canadian dollars, unless otherwise indicated. References to "NZ\$" are to New Zealand dollars.

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

Other than as set out herein, no director or executive officer of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee 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, in any matter to be acted on at the Meeting other than the election of directors.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors of the Company (the "**Board**") has fixed November 13, 2015, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of, and vote at, the Meeting and any adjournment thereof. Only Registered Shareholders at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy, or other suitable form of proxy, in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value. As at November 19, 2015, there were 62,212,252 Common Shares without par value issued and outstanding, each carrying the right to one vote. The Company has no other classes of voting securities.

As at the date of this Information Circular, to the knowledge of the directors and executive officers of the Company, no one shareholder beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company, except as follows:



Shareholder Name	Number of Common Shares <sup>(1)</sup>	Percentage of Class
Akanthos Capital Management LLC (on behalf of Akanthos Arbitrage Master Fund LP and Star V Partners LLC (SMA))	6,389,000	10.27%

Notes:

1) As reported in public filings.

## QUORUM; VOTES NECESSARY TO PASS RESOLUTIONS

The Company's Articles provide that a quorum for the transaction of business at any shareholders' meeting is two (2) shareholders or proxyholders present, representing an aggregate of at least 5% of the issued Common Shares entitled to be voted at the shareholders' meeting. If a quorum is not present within one-half hour after the time set for the commencement of the Meeting, the Meeting will be adjourned and set over for one week to the same time and place, and thereupon whatever number of Common Shares is represented at such adjournment shall constitute a quorum.

A simple majority (i.e. 50% plus one) of affirmative votes cast at the Meeting is required to pass an ordinary resolution of the Company, whereas a special majority (being 66 2/3%) of affirmative votes cast at the Meeting is required to pass a special resolution of the Company. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed.

## FINANCIAL STATEMENTS

The audited consolidated financial statements and the related management discussion and analysis of the Company for the year ended March 31, 2015, and the report of the auditor on those statements will be placed before the Meeting.

The audited consolidated financial statements and the report of the auditor thereon, and the related management discussion and analysis are included in the Company's Annual Report for the fiscal year ended March 31, 2015. If the shareholder has previously requested a copy of the annual financial statements and the related management discussion and analysis, such Annual Report will have been mailed to the shareholder, or the shareholder will have received email notification that the financial statements and the related management discussion and analysis for the fiscal year ended March 31, 2015, are available for download without charge from SEDAR at [www.sedar.com](http://www.sedar.com).

## ELECTION OF DIRECTORS

The Board presently consists of six (6) directors. At the Meeting, it is intended that the number of directors be fixed at six (6) and that six (6) directors be elected for the ensuing year. The term of office of each of the six (6) current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("**BCBCA**"), each director elected will hold office until the conclusion of the next shareholders' meeting of the Company, or until their successor is elected or appointed.

The following table sets out the names of management's six (6) nominees for election as directors, their jurisdiction of residence, the offices they hold within the Company, their principal occupations, the period of time during which each has been a director of the Company, the number of Common Shares of the Company and its subsidiaries beneficially owned by each, or over which each nominee exercises control



or direction, directly or indirectly, and the nominees' membership on committees of the Board as at the date of this Information Circular. The Board does not have an executive committee. There are presently three (3) committees of the Board; namely, the Audit Committee, the Compensation Committee, and the Nominating Committee.

In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees listed in this Information Circular. Management does not contemplate that any of the nominees will be unable to serve as a director.

Name, Position with the Company, and Residence <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>	Director of the Company since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>	Committee Membership
Toby Pierce <sup>(3)</sup> <i>CEO and Director</i> British Columbia, Canada	<ul style="list-style-type: none"> <li>• Chief Executive Officer and a director of TAG from June 2015 to present;</li> <li>• Managing Director of Burnt Ridge Advisory from February 2012 to May 2015;</li> <li>• Director of Crest Petroleum Corp. ("<b>Crest Petroleum</b>") from January 2012 to present;</li> <li>• Director of Crystal Exploration ("<b>Crystal Exploration</b>") from February 2013 to present;</li> <li>• Director of Chelsea Oil and Gas Ltd. ("<b>Chelsea Oil and Gas</b>") from September 2013 to present;</li> <li>• Partner and Lead Oil and Gas Analyst of GMP Europe Securities LLP ("<b>GMP</b>") from January 2010 to February 2012; and</li> <li>• Director, Oil and Gas Institutional Research of Tristone Capital from May 2005 to December 2010.</li> </ul>	June 1, 2015	73,700	Nil
Alex Guidi <sup>(3)</sup> <i>Chairman and Director</i> British Columbia, Canada	<ul style="list-style-type: none"> <li>• Director and Chairman of TAG from December 2009 to present;</li> <li>• Interim Chief Executive Officer of TAG from March 2015 to May 2015; and</li> <li>• Self-employed investor and financier from November 1987 to present.</li> </ul>	December 16, 2009	3,755,439	Nil



Name, Position with the Company, and Residence <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>	Director of the Company since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>	Committee Membership
Keith Hill <sup>(4)</sup> <i>Director</i> British Columbia, Canada	<ul style="list-style-type: none"> <li>• Director of TAG from July 2011 to present;</li> <li>• Director of Tyner Resources Ltd. (“<b>Tyner Resources</b>”) from September 2008 to present;</li> <li>• Chief Executive Officer, President, and director of Africa Oil Corp. (“<b>Africa Oil</b>”) from October 2006 to present;</li> <li>• Director of Petro Vista Energy Corp. (“<b>Petro Vista Energy</b>”) from January 2008 to present;</li> <li>• Director of ShaMaran Petroleum Corp. (“<b>Shamaran Petroleum</b>”) from February 2007 to present;</li> <li>• Director of Africa Energy Corp. (“<b>Africa Energy</b>”) from September 2001 to present; and</li> <li>• Director of Blackpearl Resources Inc. (“<b>Blackpearl Resources</b>”) from January 2006 to present.</li> </ul>	July 6, 2011	Nil	Audit Committee Compensation Committee Nominating Committee
Ken Vidalin <sup>(5)</sup> <i>Director</i> British Columbia, Canada	<ul style="list-style-type: none"> <li>• Director of TAG from December 2011 to present; and</li> <li>• President of Carina Investments Ltd. (“<b>Carina Investments</b>”) from August 2005 to present.</li> </ul>	December 14, 2011	Nil	Audit Committee Nominating Committee
Brad Holland <sup>(6)(7)</sup> <i>Director</i> Alberta, Canada	<ul style="list-style-type: none"> <li>• Director of TAG from March 2015 to present;</li> <li>• President of B. J. Holland Project Management from October 2011 to present; and</li> <li>• Senior Project Engineer of Saudi Aramco Pipeline Projects Department from January 1992 to September 2011.</li> </ul>	March 1, 2015	62,000	Audit Committee Compensation Committee Nominating Committee



Name, Position with the Company, and Residence <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>	Director of the Company since	Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly <sup>(2)</sup>	Committee Membership
Henrik Lundin <i>Director</i> Oslo, Norway	<ul style="list-style-type: none"> <li>• Director of TAG from June 2015 to present; and</li> <li>• Senior Reservoir Engineer of Lundin Petroleum AB (“<b>Lundin Petroleum</b>”) from January 2010 to present.</li> </ul>	June 16, 2015	5,000	Nil

Notes:

- 2) Information as to position with the Company and residence has been furnished by the respective director individually. See also “*Information Regarding Management’s Nominees for Election to the Board*” below.
- 3) Information as to Common Shares beneficially owned or controlled has been furnished by the respective director individually. The directors do not hold shares in any subsidiary of the Company.
- 4) On February 11, 2015, TAG announced that Chief Executive Officer and a director, Mr. Garth Johnson, had submitted his resignation, which became effective on March 10, 2015. On March 10, 2015, TAG announced the appointment of Mr. Alex Guidi, TAG’s Chairman of the Board, as its interim Chief Executive Officer. On June 1, 2015, TAG announced the appointment of Mr. Toby Pierce as its Chief Executive Officer and a director, with Mr. Alex Guidi continuing to act as Chairman of the Board.
- 5) On November 5, 2014, Mr. Keith Hill replaced Mr. Ronald Bertuzzi as Chairman of the Audit Committee.
- 6) Chairman of the Nominating Committee.
- 7) On November 5, 2014, TAG announced the appointment of Dr. Douglas Ellenor to the Board, replacing Mr. Ronald Bertuzzi who retired from the Board. On February 17, 2015, TAG announced the appointment of Mr. Brad Holland to the Board effective on March 1, 2015, replacing Dr. Douglas Ellenor whose resignation became effective on that date as well.
- 8) On March 1, 2015, Mr. Brad Holland replaced Dr. Douglas Ellenor as Chairman of the Compensation Committee.

Biographical summaries and other required information about each of the nominees for election as directors are set out below in the section entitled “*Information Regarding Management’s Nominees for Election to the Board.*”

### Corporate Cease Trade Orders or Bankruptcies

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

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

To the best of management’s knowledge, no proposed director is, as at the date of this Information Circular, or has been within the last ten (10) years, a director or executive officer of any company



(including the Company) that, while the proposed director 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.

To the best of management's knowledge, no proposed director of the Company has, within the last ten (10) years, 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.

To the best of management's knowledge, no proposed director of the Company 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.

### **Information Regarding Management's Nominees for Election to the Board**

The following biographical information about management's nominees for election to the Board has been supplied by the respective nominees:

**Mr. Toby Pierce** is the Chief Executive Officer and a director of the Company, and has served as a director since June 1, 2015. Mr. Pierce is a natural-resource executive with more than 19 years of extensive transactional and valuation experience in deal sizes ranging from several million to \$1.3 billion in value. He began his career as a geologist with Hunter Dickinson, then moved to Pierce Geological, a privately held oil and gas consulting company. As Director of Oil and Gas Institutional Research at Tristone Capital, Mr. Pierce worked in both the Calgary and London offices. Remaining in London, Mr. Pierce became Partner and Lead Oil and Gas Analyst for GMP, where he covered a variety of oil and gas companies with market capitalizations ranging from \$30 million to \$15 billion, and provided strategic advice and valuation expertise both internally to the investment banking and sales partners, and externally to energy company management on asset acquisitions, financings, and capital markets. Mr. Pierce recently held a senior management position as Managing Director of Burnt Ridge Advisory, a natural resources advisory firm focused on acquisitions, valuation, investments, M&A, deal structuring, and due diligence for resource companies and investors, as well as being the CEO and co-founder of Crest Petroleum, a TSX Venture Exchange (the "TSX-V") listed oil and gas company. Mr. Pierce is a graduate of the Rotman School of Management at the University of Toronto where he earned an M.B.A. degree in Finance, and also holds a B.Sc. degree in Earth Sciences from the University of Victoria.

**Mr. Alex Guidi** is the founder, Chairman and a director of TAG. Since founding the Company, Mr. Guidi served as an officer and a director at various stages and in December 16, 2009, he rejoined the Board. Mr. Guidi helps guide TAG's growth and works closely with the Board and the executive management team to execute strategic direction. Mr. Guidi is a successful business entrepreneur with more than 30 years of executive oil and gas experience, and a proven track record of creating value for oil and gas companies. Mr. Guidi is also the founder of a group of Australasian focussed oil and gas companies, which grew from exploration start up to producing companies with extensive acreage positions and discoveries in New Zealand's Taranaki Basin, and major gas discoveries in Papua New Guinea. In 1988, Mr. Guidi was the founder of Walking Stick Oil and Gas Ltd., a Williston Basin focused company, which also grew from an exploration start up into a successful producing entity, that later merged with Bonavista Energy in the early 1990's.

**Mr. Keith Hill** has been a director of the Company since July 6, 2011. Mr. Hill is also the President, Chief Executive Officer, and a director of Africa Oil, as well as a director of BlackPearl Resources, Tyner Resources, ShaMaran Petroleum, Africa Energy, and Petro Vista Energy. Prior to this, Mr. Hill was instrumental in developing Valkyries Petroleum Corp. and Tanganyika Oil Company Ltd., both highly successful international oil and gas producers which were acquired by major oil companies. Mr. Hill holds a M.Sc. degree in Geology and a B.Sc. degree in Geophysics from Michigan State University, as well as an M.B.A. degree from the University of St. Thomas in Houston.



**Mr. Ken Vidalin** has been a director of the Company since December 14, 2011. Mr. Vidalin is the founder and contributed to the significant growth of two major publically traded global corporations, Methanex Corporation (“**Methanex**”), and Acetex Corporation (“**Acetex**”). Mr. Vidalin has more than 20 years of experience as a board member of public and private companies and as the former Chief Operating Officer of both Methanex and Acetex, provides the Board with significant technical and business qualifications. Mr. Vidalin is currently the President of Carina Investments, and he holds a B.Sc. degree in Mechanical Engineering from the University of North Dakota.

**Mr. Brad Holland** has been a director of the Company since March 1, 2015. Mr. Holland has more than 30 years of experience and expertise in the planning, design and project management of oil and gas industry projects. His expertise has been established and honed over 18 years as Senior Project Engineer for Saudi Aramco, a global leader in oil and gas, and at Wood Group Mustang, overseeing major oil and gas pipeline projects. Mr. Holland holds a B.Sc. degree in Chemical Engineering from the University of Alberta.

**Mr. Henrik Lundin** has been a director of the Company since June 16, 2015. After a stint in the Royal Swedish Navy, Mr. Lundin has gone on to acquire a considerable amount of global oil and gas experience as a petroleum, thermal and reservoir engineer. Mr. Lundin began his career as a field worker and field engineer in Sweden and offshore Tunisia, and then worked as a Petroleum/Thermal Engineer in Canada and Syria for Tanganyika Oil Company Ltd. In 2009, Mr. Lundin went to work for Lundin Petroleum as a Reservoir Engineer and is now a Senior Reservoir Engineer, with a focus on the Brynhild and Johan Sverdrup fields in Norway. Mr. Lundin holds a B.Sc. degree in Petroleum Engineering from the Colorado School of Mines in Golden, Colorado.

The Board does not contemplate that any of its nominees will be unable to serve as a director, but if for any reason that should occur, the persons named in the Proxy shall have the right to use their discretion to vote for a properly qualified substitute.

It is expected that the nominees set forth in this Information Circular will, upon their re-election, continue to serve as directors of the Company until the conclusion of the next shareholders’ meeting of the Company.

## COMPENSATION OF EXECUTIVE OFFICERS

Set out below are particulars of compensation paid to the following persons (the “**Named Executive Officers**” or “**NEOs**”):

- (a) the Company’s chief executive officer (“**CEO**”);
- (b) the Company’s chief financial officer (“**CFO**”);
- (c) each of the Company’s or any of its subsidiaries’ three most highly compensated executive officers, 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 for that financial year; and
- (d) each individual for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

As at March 31, 2015, the end of the most recently completed financial year of the Company, the Company had five (5) Named Executive Officers, whose name and positions held within the Company are set out under “*Summary Compensation Table*” below.

### Compensation Discussion and Analysis

#### *Compensation Philosophy and Objectives*



The Company's executive compensation program is designed to attract and retain highly qualified and motivated individuals, reward performance and be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Company's Compensation Committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-term interests of the Company and its shareholders, overall financial and operating performance of the Company, individual performance and contribution towards meeting corporate objectives, responsibilities, length of service and levels of compensation provided by industry competitors.

The accountability for decisions on executive remuneration is clearly within the mandate of the Compensation Committee, but management has a key role in helping support the Compensation Committee in fulfilling its obligations. For example, the Chairman and CEO make recommendations to the Compensation Committee regarding executive officer base salary adjustments, stock option grants, and bonus awards. Advice may also be given to the Compensation Committee by independent advisors and consultants to the Company. The Compensation Committee reviews the basis for these recommendations and can exercise its discretion in modifying any of the recommendations prior to making its recommendations to the Board. The Compensation Committee is satisfied that the Company's compensation structure appropriately takes into account the factors relevant to the industry, the Company's performance within that industry, and the individual contributions to the Company's performance made by its NEOs.

The Company's compensation structure for executive officers is primarily composed of two components – base salary/cash bonuses and options to purchase Common Shares ("**Options**"). Note that cash bonuses are awarded on an occasional and discretionary basis and, if awarded, reflect the Compensation Committee's assessment of the immediately preceding financial year's performance. Each element of the Company's executive compensation program is described in more detail under "*Compensation of Executive Officers - Compensation Discussion and Analysis - Compensation Elements*" below.

In the course of its deliberations, the Compensation Committee considered the implications of the risks associated with adopting the compensation program currently in place. The Compensation Committee does not believe that the compensation program adopted by the Company creates a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks and no such risks have been detected to date. The Compensation Committee will continue to include this consideration in its deliberations, and believes that it and the Board would detect actions of management or employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Board believes it has effective risk management and regulatory compliance relating to its compensation policies used in determining executive compensation. Risks related to compensation are taken into consideration as part of the general review and determination of executive compensation by the Board. Inappropriate and excessive risks by executives are mitigated by regular board meetings during which financial and other information of the Company are reviewed, and which information includes executive compensation. Interested directors declare their interest and abstain from voting on compensation matters. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

The Company does not have a policy restricting the ability of a Named Executive Officer or a director from purchasing financial instruments (including pre-paid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities (or Options in respect thereof) granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. During the financial year ending March 31, 2015, none of the Named Executive Officers or directors purchased such financial instruments.

## **Compensation Elements**

### *Base Salaries/Cash Bonuses*

The base salaries payable to NEOs and other executive officers and employees are intended to remunerate them for discharging job responsibilities and reflect their performance over time that is reasonable in the



circumstances. The Board relies on the Compensation Committee to base its recommendations on objective criteria that includes the attainment of the Company's pre-set objectives for the previous financial year as set out in its business plan and budget that involves meeting various operational and corporate goals, as well as salaries paid to other executive officers in the junior oil and gas industry (although the Compensation Committee does not benchmark against any specific company or companies but does take into account the overall trend of executive compensation in the junior oil and gas industry). In making its recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual needed to fulfill their responsibilities. Base salaries may be increased based upon the individual's performance and contribution in connection with their specific duties or increases in median competitive pay levels. See "Corporate Governance Disclosure – Compensation" below for additional information on compensation governance.

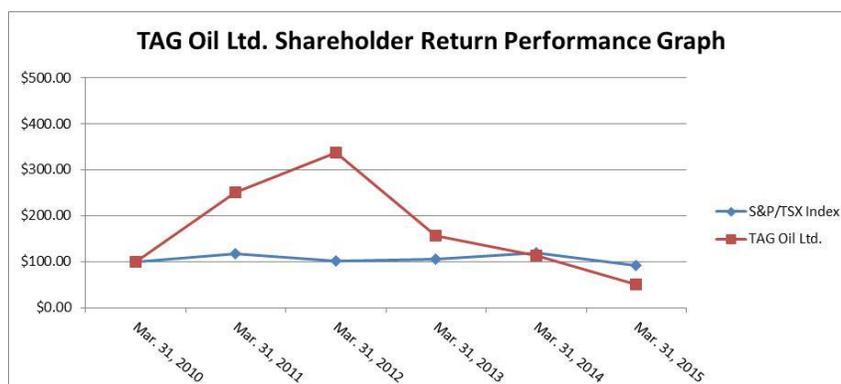
The Company does not have a formal bonus plan, and none of the Company's NEOs and other executive officers and employees has any contractual right to cash bonuses or short-term incentive compensation. However, each year the Board, upon recommendation of the Compensation Committee, will approve pre-set goals for the ensuing year for bonus payments based on the criteria stated above. The Company considers that performance bonus awards are an important part of their remuneration package where associated performance targets reflect the key drivers for value creation and growth in shareholder value.

### Options

As a junior resource company, Option grants are considered a significant component of the Company's overall compensation strategy in order to appropriately incentivize the Company's NEOs and other executive officers and employees in a manner that is consistent with shareholders' interests. More specifically, Option grants, which include a vesting element to ensure retention, are long-term incentive compensation that serves to both motivate the individual toward increasing share value and to enable the individual to share in the future success of the Company. Options are granted under the Company's share option plan ("**Share Option Plan**") by the Board on the recommendation of the Compensation Committee. Options are normally awarded by the Board upon the commencement of an individual's employment with the Company based on the level of responsibility within the Company, and additional Option grants may also be made periodically during an individual's employment to ensure that the number of Options granted to any particular individual is proportionate with the individual's level of ongoing responsibility within the Company. In considering additional Option grants, a number of factors are contemplated including, the role the individual plays in the Company, the number of Options an individual has been granted, the exercise price and the value of the Options and the term remaining on those Options.

### Performance Graph

The Common Shares trade on the Toronto Stock Exchange (the "TSX") under the stock symbol "TAO". Prior to July 6, 2011, the Common Shares traded on the TSX-V. The following graph compares the total cumulative shareholder return for \$100 invested in the Common Shares since March 31, 2010, with the total cumulative shareholder return for \$100 invested in the S&P/TSX Composite Index for the five (5) most recently completed fiscal years of the Company. Assume that \$100 was invested on the first day of the five (5) year period being March 31, 2010.



The following table shows the value of \$100 invested in Common Shares on March 31, 2010, compared to \$100 invested in the S&P/TSX Composite Index:

	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014	March 31, 2015
S&P/TSX Index	\$100	\$117	\$102	\$106	\$119	\$91
TAG Oil Ltd.	\$100	\$250	\$336	\$156	\$113	\$50

Our executive compensation programs are designed to align the financial, operating and market performance of the Company with the value that the NEOs ultimately receive from the programs. Executive compensation has generally corresponded to the trends shown by the graph over the period from 2010 to 2015, although industry-specific factors have influenced compensation over the same period. Base salaries are reviewed annually and increases are based on financial and operational performance objectives that are within management of the Company's control and may not align with total shareholder returns. The value of long-term incentives at a time of grant will also vary based on corporate performance.

### **Option-Based Awards**

On December 10, 2010, the Company's shareholders approved the Share Option Plan and also a resolution authorizing amendments to the Share Option Plan to: (i) permit the Board to make future amendments to the Share Option Plan in limited, specified circumstances without shareholder approval; (ii) provide for an automatic limited extension of the term of any Options where such term would otherwise expire during or within ten (10) business days after a Company-imposed black out period; (iii) allow the Board discretion with regards to the vesting period for Options granted under the Share Option Plan; and (iv) remove references to the TSX-V and provisions previously inserted into the Share Option Plan in order to comply with the requirements of the TSX-V which no longer apply to the Company. These amendments became effective upon the Company's graduation from the TSX-V to the TSX on July 5, 2011. On December 12, 2013, the Company's shareholders approved the grant of all unallocated Options under the Share Option Plan, and the Company will not be required to seek further approval of the grant of unallocated Options under the Share Option Plan until December 11, 2016.

The purpose of the Share Option Plan, pursuant to which Options may be granted, is to attract and retain directors, executive officers and employees, who will be motivated to work towards ensuring the success of the Company. Proposed grants of Options are submitted to the Board for approval by the Company's Compensation Committee. Prior grants of Options to executive officers are taken into consideration when considering new grants. The Board administers and has the authority to amend the Share Option Plan, subject to applicable shareholder and regulatory approvals. See "*Compensation of Executive Officers - Compensation Discussion and Analysis - Compensation Elements - Options*" and "*Compensation of Executive Officers - Share Option Plan*" for additional information concerning the Share Option Plan.

## Summary Compensation Table

The following table is a summary of compensation paid to the NEOs for the three most recently completed financial years ended March 31, 2015, March 31, 2014, and March 31, 2013, respectively:

Name and Principal Position	Year Ended March 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total compensation (\$) <sup>(3)</sup>
					Annual incentive plans	Long-term incentive plans			
Garth Johnson <sup>(4)</sup> CEO	2015	244,146	Nil	189,536	Nil	Nil	Nil	150,000	583,682
	2014	240,000	Nil	247,407	Nil	Nil	Nil	150,000	637,407
	2013	240,000	Nil	727,861	Nil	Nil	Nil	225,000	1,192,861
Christopher Ferguson CFO	2015	244,522	Nil	153,818	Nil	Nil	Nil	55,093	453,433
	2014	77,042	Nil	43,303	Nil	Nil	Nil	4,342	124,687
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Drew Cadenhead <sup>(5)</sup> COO	2015	301,428	Nil	189,536	Nil	Nil	Nil	106,632	597,596
	2014	284,728	Nil	247,407	Nil	Nil	Nil	108,550	640,685
	2013	267,851	Nil	727,861	Nil	Nil	Nil	229,247	1,224,959
Alex Guidi <sup>(6)</sup> Chairman and Director	2015	243,692	Nil	Nil	Nil	Nil	Nil	150,000	393,692
	2014	240,000	Nil	247,407	Nil	Nil	Nil	75,000	562,407
	2013	241,667	Nil	727,861	Nil	Nil	Nil	125,000	1,094,528
Max Murray <sup>(7)</sup> New Zealand Country Manager	2015	177,984	Nil	185,481	Nil	Nil	Nil	36,308	399,773
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Notes:

- 1) The Company uses the Black-Scholes option-pricing model to calculate the fair value of option based awards on the grant date. The model requires five key inputs: risk free interest rate, exercise price, market price at date of issue, expected life and expected volatility, all of which, other than the exercise price and market price, are estimated by management. For the purposes of the calculations in the table above, we relied on the following estimates: (a) risk free interest rate of 2.5%; (b) expected volatility of 75%; (c) expected life of 5 years; and (d) expected dividend of Nil%. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies and has been consistently applied by the Company for valuing option based awards granted by the Company since the fiscal year ended March 31, 2002.
- 2) All other compensation only includes cash bonuses that are based on the Compensation Committee's specific recommendations to the Board that stem from the individual's performance and contribution to the Company.
- 3) Option-based award amounts during the year ended March 31, 2015, include both vested and unvested amounts of Options granted during the 2015 fiscal year.
- 4) Mr. Garth Johnson resigned as Chief Executive Officer and a director of the Company effective March 10, 2015, and was subsequently replaced by Mr. Toby Pierce on June 1, 2015.
- 5) On February 11, 2015, TAG announced that Chief Operating Officer, Mr. Drew Cadenhead, had submitted his resignation, which became effective on March 10, 2015. On May 11, 2015, TAG announced the appointment of Mr. Frank Jacobs as its Chief Operating Officer, who subsequently resigned effective October 1, 2015.
- 6) All compensation paid to Mr. Alex Guidi is for his role as Chairman and a director of the Company to provide services on strategic matters for the Company. See "Compensation of Executive Officers - Termination and Change of Control Benefits" for additional information concerning Mr. Guidi's compensation agreement with the Company.
- 7) Mr. Randy Toone resigned as New Zealand Country Manager of the Company effective July 3, 2014, and was subsequently replaced by Mr. Max Murray on September 1, 2014.



## Pension Plan Benefits

The Company has not established any pension plans, defined contribution plans, or deferred compensation plans for directors and executive officers that provide for payments or benefits at, following, or in connection with retirement.

## Incentive Plan Awards

### Outstanding Share-Based Awards and Options-Based Awards

The following table sets out the option-based awards made by the Company to the NEOs which were outstanding as at March 31, 2015. Further details about the granting of options and the determination of their terms are discussed under “Compensation of Executive Officers - Compensation Discussion and Analysis”.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</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 (\$)
Garth Johnson <sup>(2)</sup> CEO	100,000	2.60	June 9, 2015	Nil	Nil	Nil	Nil
	125,000	7.15	June 9, 2015	Nil	Nil	Nil	Nil
	100,000	6.15	June 9, 2015	Nil	Nil	Nil	Nil
	200,000	6.70	June 9, 2015	Nil	Nil	Nil	Nil
	200,000	2.75	June 9, 2015	Nil	133,333	Nil	Nil
Christopher Ferguson CFO	75,000	5.00	Dec. 1, 2018	Nil	25,000	Nil	Nil
	100,000	2.75	Aug. 13, 2019	Nil	66,667	Nil	Nil
Drew Cadenhead <sup>(3)</sup> COO	125,000	7.15	June 9, 2015	Nil	Nil	Nil	Nil
	100,000	6.15	June 9, 2015	Nil	Nil	Nil	Nil
	200,000	6.70	June 9, 2015	Nil	Nil	Nil	Nil
	200,000	2.75	June 9, 2015	Nil	133,333	Nil	Nil
Alex Guidi Chairman and Director	125,000	7.15	Feb. 8, 2016	Nil	Nil	Nil	Nil
	100,000	6.15	July 5, 2016	Nil	Nil	Nil	Nil
	200,000	6.70	Aug. 8, 2017	Nil	Nil	Nil	Nil
Max Murray <sup>(4)</sup> New Zealand Country Manager	200,000	2.39	Aug. 31, 2019	Nil	133,333	Nil	Nil

Notes:

- 1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Common Shares as at March 31, 2014, (\$3.03 closing price on the TSX) and the exercise price of the Options.
- 2) Mr. Garth Johnson resigned as Chief Executive Officer and a director of the Company effective March 10, 2015, and was subsequently replaced by Mr. Toby Pierce on June 1, 2015.
- 3) Mr. Drew Cadenhead resigned as Chief Operating Officer of the Company effective March 10, 2015, and was subsequently replaced by Mr. Frank Jacobs on May 11, 2015, who subsequently resigned effective October 1, 2015.
- 4) Mr. Randy Toone resigned as New Zealand Country Manager of the Company effective July 3, 2014, and was subsequently replaced by Mr. Max Murray on September 1, 2014.



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

<b>Name</b>	<b>Option-based awards – Value vested during the year (\$)<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year (\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year (\$)</b>
Garth Johnson <i>CEO</i> <sup>(2)</sup>	Nil	Nil	Nil
Christopher Ferguson <i>CFO</i>	Nil	Nil	Nil
Drew Cadenhead <sup>(3)</sup> <i>COO</i>	Nil	Nil	Nil
Alex Guidi <i>Chairman and Director</i>	Nil	Nil	Nil
Max Murray <sup>(4)</sup> <i>New Zealand Country Manager</i>	Nil	Nil	Nil

Notes:

- 1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2015, by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.
- 2) Mr. Garth Johnson resigned as Chief Executive Officer and a director of the Company effective March 10, 2015, and was subsequently replaced by Mr. Toby Pierce on June 1, 2015.
- 3) Mr. Drew Cadenhead resigned as Chief Operating Officer of the Company effective March 10, 2015, and was subsequently replaced by Mr. Frank Jacobs on May 11, 2015, who subsequently resigned effective October 1, 2015.
- 4) Mr. Randy Toone resigned as New Zealand Country Manager of the Company effective July 3, 2014, and was subsequently replaced by Mr. Max Murray on September 1, 2014.

### ***Discussion of Plan-Based Awards***

During the financial year ended March 31, 2015, the Company granted a 700,000 Options to its NEOs pursuant to the Share Option Plan, 400,000 of which expired on June 9, 2015, with 100,000 that may be exercised at a price of \$2.75 per share and expire on August 13, 2019, and 200,000 that may be exercised at a price of \$2.39 per share and expire on August 31, 2019.

The Board administers the Share Option Plan, and as such, all proposed Option grants are submitted to the Board for their approval. In considering new grants, the Board considers prior grants made to directors and executive officers.

### **Share Option Plan**

The Company has a Share Option Plan which is intended to afford persons who provide services to the Company an opportunity to obtain a proprietary interest in the Company by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with the Company. The Share Option Plan permits the granting of Options to officers, employees of, consultants to and other eligible service providers ("**Optionees**") of and to the Company and its subsidiaries.

The maximum number of Common Shares issuable on exercise of Options outstanding at any time is limited, in the aggregate, to 10% of the issued and outstanding Common Shares. Any increase in the issued and outstanding Common Shares (whether as a result of exercise of Options, or otherwise) will result in an increase in the number of Common Shares that may be issued on exercise of Options outstanding at any time and any increase in the number of Options granted, upon exercise, makes new grants available under the Share Option Plan. Options that are cancelled, terminated or expire prior to exercise of all or a portion thereof shall result in the Common Shares that were reserved for issuance thereunder being available for a subsequent grant of Options pursuant to the Share Option Plan.

The number of Common Shares issuable pursuant to Options granted under the Share Option Plan: (i) to any one person at any time, and within a one (1) year period, may not exceed 5% of the outstanding Common Shares; and (ii) to all insiders at any time, and within a one (1) year period, may not exceed 10% of the outstanding Common Shares. Options granted under the Share Option Plan are not assignable.

Options can be exercisable for a maximum of ten (10) years from the date of grant thereof by the Board and, subject to the terms of the Share Option Plan, shall vest in such manner as determined by the Board appointed from time to time to administer the Share Option Plan. If an Option is set to expire within, or within ten (10) business days after the end of a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), then the end of the term of such Option shall be the tenth business day after the earlier of the end of such black out period or, provided the black out period has ended, the expiry date.

The exercise price of any Options granted will be determined by the Board at the time of grant, provided that the exercise price shall not be less than the market price, which means that: (a) if the Common Shares are listed on the TSX, the market price shall be the closing price of the Common Shares on the TSX for the last market trading day prior to the date of the grant of the Option, (b) if the Common Shares are listed on the TSX-V, the market price shall be the closing price of the Common Shares on the TSX-V for the last market trading day prior to the date of the grant of the Option less any discount permitted by the TSX-V, (c) if the Common Shares are listed on an exchange other than the TSX or the TSX-V, the market price shall be the closing price of the Common Shares (or the closing bid, if no sales were reported) as quoted on such exchange for the last market trading day prior to the date of the grant of the Option, and (d) if the Common Shares are not listed on an exchange, the market price shall be determined in good faith by the Board.

The Share Option Plan contains customary anti-dilution provisions which provide for adjustments to be made in the event of consolidations, subdivisions or any changes of the Common Shares, or in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, in order to prevent dilution or enlargement of the rights granted under the Share Option Plan.

If an Optionee ceases to be an officer, employee of, or service provider to, the Company or a subsidiary of the Company for any reason, the Optionee shall have a period not in excess of ninety (90) days as prescribed at the time of grant, succeeding his ceasing to be an officer, employee or consultant or other service provider to exercise Options held to the extent that the Optionee was entitled to exercise the options at the date of such cessation. In the case of being dismissed from employment or service for cause, such Optionee’s Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same. Generally, in the event of a merger whether by way of amalgamation or arrangement, or the sale of substantially all of the assets of the Company, any or all outstanding Options may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Optionees or, in the alternative, the successor corporation may substitute equivalent Options or provide substantially similar consideration to Optionees as was provided to shareholders (after taking into account the existing provisions of the Options). In the

event of a proposed dissolution or liquidation of the Company, to the extent that an Option has not been previously exercised, the Option will terminate immediately prior to the consummation of such proposed action, subject to the Board's discretion.

All Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable, subject to the case of the death of an Optionee in which any vested Option held at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one (1) year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option.

Without the prior approval of the shareholders, the Board may not make any amendment that results in: (a) an increase in the number of Common Shares issuable under Options granted pursuant to the Share Option Plan, (b) a change in the persons eligible to receive Options under the Share Option Plan, (c) a reduction in the exercise price of an Option granted to insiders of the Company, (d) the cancellation and reissue of any Option, (e) an extension of the term of an Option granted under the Share Option Plan benefiting an insider of the Company, or (f) Options becoming transferable or assignable other than for the purposes in the case of the death of an Optionee. Subject to the restrictions set out above, the Board may, without notice, at any time and from time to time amend the Share Option Plan and Options granted thereunder provided, however, that no such amendment of the Share Option Plan may be made without the consent of such Optionee if such amendment would adversely affect the rights of such Optionee under the Share Option Plan. The Board may also terminate the Share Option Plan at any time without shareholder approval, provided that no such termination shall adversely affect the rights of any Optionee under any Option previously granted except with the consent of such Optionee.

As at the date of this Information Circular, the Company has 62,212,252 Common Shares issued and outstanding, and the number of Options outstanding is 5,090,000 (8.18%). Therefore, as at the date of this Information Circular, the number of Options available for grant is 1,131,225 (1.82%).

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

Other than as disclosed below, there are no contracts, agreements, or arrangements with respect to any NEO that provide for payments resulting from the resignation, retirement or any other termination of the NEO's employment or from a change of control or from a change in the NEO's responsibilities following a change in control.

On September 1, 2007, the Company entered into an executive employment agreement with Mr. Garth Johnson that provided for a salary of \$276,000 as of January 1, 2015. The Company was entitled to terminate the agreement at any time without cause by providing thirty (30) months' written notice to Mr. Johnson, pay in lieu of such notice (\$690,000), or any combination thereof. If any of the following events occurred within the twelve (12) month period immediately following a change of control, then at Mr. Johnson's election, of which Mr. Johnson shall have advised the Company by notice in writing within ninety (90) days of the event occurring, the agreement would be deemed to have been terminated by the Company and the Company would, immediately upon such termination, pay to Mr. Johnson an amount equal to his base salary for thirty (30) months (\$690,000):

- (a) if the agreement was terminated by the Company without cause after a change of control;
- (b) if Mr. Johnson was placed in a position of lesser stature than that of President and Chief Executive Officer;
- (c) if Mr. Johnson was assigned duties significantly inconsistent with the position of Chief Executive Officer immediately prior to the change of control;
- (d) if Mr. Johnson was assigned performance requirements or working conditions that were at variance with the performance requirements and working conditions in effect immediately preceding the change of control;
- (e) if Mr. Johnson was accorded treatment on a general basis that is in derogation of his status as Chief Executive Officer; or



- (f) any requirement that the location at which Mr. Johnson performed his principal duties was outside a radius of twenty-five (25) miles from the location at which he performs such duties immediately before the change of control.

In addition, all Options held by Mr. Johnson would vest immediately and expire in three (3) months, and the Company would continue to provide all applicable benefits for a period of three (3) months from the date of Mr. Johnson's termination due to a change of control. On February 11, 2015, Mr. Johnson submitted his prior written notice of termination to the Company, which expired on March 10, 2015, and was not entitled to any payment on account of such termination, other than such amounts that were due in respect of the period ending on the date of termination (\$27,685). All Options held by Mr. Johnson expired on June 9, 2015.

On October 1, 2009, the Company entered into an employment agreement with Mr. Drew Cadenhead that provided for compensation for his services to assist with the corporate development, technical and operational matters of the Company, which on January 1, 2011, was extended on an on-going basis, and on March 9, 2012, Mr. Cadenhead's salary was increased to NZ\$325,992. The employment agreement could be terminated by the Company or Mr. Cadenhead at any time for any cause or reason, or without any cause or reason, by giving to the other party three (3) months' prior written notice of such termination and upon the expiry of such notice, the agreement would terminate. In such event, Mr. Cadenhead would not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (NZ\$81,492). On February 11, 2015, Mr. Cadenhead submitted his prior written notice of termination to the Company, which expired on March 10, 2015, and was not entitled to any payment on account of such termination, other than such amounts that were due in respect of the period ending on the date of termination (\$25,335). All Options held by Mr. Cadenhead expired on June 9, 2015.

On September 30, 2013, the Company entered into an executive employment agreement with Mr. Christopher Ferguson commencing on December 1, 2013, which provided for a salary of NZ\$230,000 on an on-going basis for his services as the Company's Chief Financial Officer. The current annual salary payable to Mr. Ferguson pursuant thereto is NZ\$250,000, effective as of July 1, 2014. The employment agreement may be terminated by either party at any time for any cause or reason, or without any cause or reason, by giving the other party three (3) months' prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Ferguson will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (NZ\$62,500).

On October 1, 2007, the Company entered into an agreement with Mr. Alex Guidi under which Mr. Guidi is engaged to provide services on strategic matters for the Company and receive an annual salary. The current annual salary payable to Mr. Guidi pursuant thereto is \$240,000, effective as of November 1, 2015. The agreement may be terminated by the Company or Mr. Guidi at any time for any cause or reason, or without any cause or reason, by giving to the other party one (1) month's prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Guidi will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (\$20,000).

On June 27, 2014, the Company entered into an executive employment agreement with Mr. Max Murray commencing on September 1, 2014, which provides for a salary of NZ\$320,000 on an on-going basis for his services as the Company's New Zealand Country Manager. The employment agreement may be terminated by either party at any time for any cause or reason, or without any cause or reason, by giving the other party three (3) months' prior written notice of such termination and upon the expiry of such notice, the agreement will terminate. In such event, Mr. Murray will not be entitled to any payment on account of such termination, other than such amounts that are due in respect of the period ending on the date of termination (NZ\$80,000).

## DIRECTOR COMPENSATION

### **Director Compensation Table**

The following table is a summary of compensation paid to directors of the Company for the most recently completed financial year ended March 31, 2015:

Name <sup>(1)</sup>	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Ronald Bertuzzi <sup>(3)</sup>	9,375	Nil	Nil	Nil	Nil	Nil	9,375
Douglas Ellenor <sup>(3)</sup>	3,000	Nil	Nil	Nil	Nil	Nil	3,000
Brad Holland <sup>(3)</sup>	3,000	Nil	Nil	Nil	Nil	Nil	3,000
Keith Hill	30,167	Nil	94,768	Nil	Nil	Nil	124,935
Ken Vidalin	30,167	Nil	47,384	Nil	Nil	Nil	77,551

Notes:

- 1) Compensation paid to Mr. Alex Guidi for his role as Chairman and a director of the Company to provide services on strategic matters for the Company is reflected under the "Compensation of Executive Officers - Summary Compensation Table" above.
- 2) The Company uses the Black-Scholes option-pricing model to calculate the fair value of option based awards. The model requires five key inputs: risk free interest rate, exercise price, market price at date of issue, expected life and expected volatility, all of which, other than the exercise price and market price, are estimated by management. For the purposes of the calculations in the table above, we relied on the following estimates: (a) risk free interest rate of 2.5%; (b) expected volatility of 75%; (c) expected life of 5 years; and (d) expected dividend of Nil%. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies and has been consistently applied by the Company for valuing option based awards granted by the Company since the fiscal year ended March 31, 2002.
- 3) On November 5, 2014, TAG announced the appointment of Dr. Douglas Ellenor to the Board, replacing Mr. Ronald Bertuzzi who retired from the Board. On February 17, 2015, TAG announced the appointment of Mr. Brad Holland to the Board effective on March 1, 2015, replacing Dr. Douglas Ellenor whose resignation became effective on that date as well.

### **Discussion of Director Compensation**

Effective December 16, 2009, the Company commenced paying Mr. Ronald Bertuzzi compensation of \$500 per month each for his services as non-executive director and member on various Board committees and up to \$500 for each Board and Audit Committee meeting that he attended, which was determined and approved by the Board. On January 1, 2013, Mr. Bertuzzi's compensation increased to \$1,250 a month. On November 5, 2014, Mr. Bertuzzi resigned as a director of the Company and was subsequently replaced by Dr. Douglas Ellenor on November 5, 2014, at which time the Company commenced paying Dr. Ellenor compensation of \$36,000 per year for his services as a non-executive director and member on various Board committees. On March 1, 2015, Dr. Ellenor resigned as a director of the Company and was subsequently replaced by Mr. Brad Holland on March 1, 2015, at which time the Company commenced paying Mr. Holland compensation of \$36,000 per year for his services as a non-executive director and member on various Board committees. On July 5, 2011, the Company commenced paying Mr. Keith Hill compensation of \$26,000 per year for his services as a non-executive director and member on various Board committees, which was increased to \$36,000 per year on November 1, 2014. On December 14, 2011, the Company commenced paying Mr. Ken Vidalin compensation of \$26,000 per year for his services as a non-executive director and member on various Board committees, which was increased to \$36,000 per year on November 1, 2014. On June 9, 2015, the Company commenced paying Mr. Henrik Lundin compensation of \$36,000 per year for his services as a non-executive director. The



executive director of the Company does not receive compensation for services provided in his capacity as director, including any fees for serving on the Board or Board committees thereof or for attending Board meetings.

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

The following table sets out the option-based awards made by the Company to the directors which were outstanding as at March 31, 2015.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</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 (\$)
Brad Holland <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Keith Hill	200,000	6.15	July 5, 2016	Nil	Nil	Nil	Nil
	50,000	6.70	Aug. 8, 2017	Nil	Nil	Nil	Nil
	100,000	2.75	Aug. 13, 2019	Nil	66,667	Nil	Nil
Ken Vidalin	200,000	7.00	Dec. 20, 2016	Nil	Nil	Nil	Nil
	50,000	6.70	Aug. 8, 2017	Nil	Nil	Nil	Nil
	50,000	2.75	Aug. 13, 2019	Nil	33,333	Nil	Nil

Notes:

- 1) Value of unexercised in-the-money options is calculated based upon the difference between the market value of the Common Shares as at March 31, 2015 (\$1.33 closing price on the TSX) and the exercise price of the Options.
- 2) On November 5, 2014, TAG announced the appointment of Dr. Douglas Ellenor to the Board, replacing Mr. Ronald Bertuzzi who retired from the Board. On February 17, 2015, TAG announced the appointment of Mr. Brad Holland to the Board effective on March 1, 2015, replacing Dr. Douglas Ellenor whose resignation became effective on that date as well.

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

The following table sets out the aggregate dollar value that would have been realized by each director if he exercised, on the applicable vesting dates, those options held by him under option-based awards, which vested during the most recently completed financial year.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Brad Holland <sup>(2)</sup>	Nil	Nil	Nil
Keith Hill	Nil	Nil	Nil
Ken Vidalin	Nil	Nil	Nil

Notes:

- 1) Calculated by multiplying the number of Common Shares in respect of which vesting occurred in the year ended March 31, 2013, by the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date.

- 2) On November 5, 2014, TAG announced the appointment of Dr. Douglas Ellenor to the Board, replacing Mr. Ronald Bertuzzi who retired from the Board. On February 17, 2015, TAG announced the appointment of Mr. Brad Holland to the Board effective on March 1, 2015, replacing Dr. Douglas Ellenor whose resignation became effective on that date as well.

### **Directors' and Officers' Liability Insurance**

The Company maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance of them of the duties of their offices. The total amount of insurance coverage available is up to \$25,000,000, depending on the type of claim, with a deductible of up to \$50,850, depending on the type of claim, for each claim for which the Company grants indemnification. The Company bears the entire cost of the premiums payable pursuant to this coverage.

### **APPOINTMENT OF AUDITOR**

The management of the Company intends to nominate De Visser Gray LLP ("**De Visser Gray**") of Vancouver, British Columbia, for re-appointment as auditor of the Company. Proxies given pursuant to the solicitation by the management of the Company will, on any poll, be voted as directed and, if there is no direction, for the re-appointment of De Visser Gray as auditor of the Company to hold office until the close of the next shareholders' meeting of the Company, at a remuneration to be fixed by the directors. De Visser Gray was first appointed as auditor of the Company on March 17, 2004.

The Audit Committee has reviewed the nature and amount of the non-audited services provided by De Visser Gray and TAG Oil's New Zealand auditor BDO Spicers, Chartered Accountants and Advisors ("**BDO Spicers**"), to ensure auditor independence. Fees incurred with De Visser Gray and BDO Spicers for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended March 31, 2014</b>	<b>Fees Paid to Auditor in Year Ended March 31, 2015</b>
Audit Fees <sup>(1)</sup>	\$165,136	\$177,490
Audit-Related Fees <sup>(2)</sup>	\$7,824	\$9,124
Tax Fees <sup>(3)</sup>	\$83,962	\$178,555
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$256,922</b>	<b>\$365,169</b>

Notes:

- 1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of TAG's consolidated financial statements and include both the fees of the Corporation's principal auditor, De Visser Gray, and BDO Spicers. Audit fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- 2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, 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 fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- 4) "All Other Fees" include all other non-audit services.

### **AUDIT COMMITTEE DISCLOSURE**

The Audit Committee, comprised of Keith Hill (Chairman), Brad Holland, and Ken Vidalin, has the responsibility of, among other things, recommending to the Board the independent auditor; determining



the extent of involvement of the independent auditor in reviewing unaudited quarterly financial results; evaluating the qualifications, performance and independence of the independent auditor; reviewing and recommending approval to the Board of our annual and quarterly financial results and management discussion and analysis and overseeing the establishment of “whistle-blower” and related procedures. Each member of the Audit Committee is an independent director. National Instrument 52-110 *Audit Committees* requires the Company’s Audit Committee to meet certain requirements. It also requires the Company to disclose certain information regarding the Audit Committee.

That information regarding the Company’s Audit Committee, including its mandate is disclosed in the Company’s Annual Information Form (“AIF”) dated as of June 29, 2015, which is available on SEDAR at [www.sedar.com](http://www.sedar.com) (see section 14.1 and Appendix “A” of the Company’s AIF for additional information on the Audit Committee).

During the fiscal year ended March 31, 2015, the Audit Committee met four (4) times, at which all members of such Audit Committee were present.

## CORPORATE GOVERNANCE DISCLOSURE

### General

Effective June 30, 2005, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices with respect to corporate governance guidelines that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board understands that good corporate governance improves corporate performance and benefits all shareholders. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### 1. Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment and includes the holding of an executive officer position.

The Board facilitates its independent supervision over management by conducting a quarterly review of the Company’s financial statements and management discussion and analysis as well as requiring material transactions to be approved by the Board prior to the transaction taking place.

The independent members of the Board are Keith Hill, Brad Holland, Henrik Lundin and Ken Vidalin. Mr. Toby Pierce is not an independent member of the Board, as Mr. Pierce is the current Chief Executive Officer of the Company. Mr. Alex Guidi is not an independent member of the Board, as Mr. Guidi receives a salary from the Company to assist with the strategic advice and planning matters of the Company’s business. As a result, the Board currently has a majority of independent directors. The Company considers its current Board composition to be sufficient given the current state of the Company’s business, but it continues to review the composition of the Board on an annual basis.

Given the size of the Company, the current composition of the Board and the nature of activities to date, the independent members of the Board are not expected to hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. This practice will be reassessed as the Company grows. In order to facilitate open and candid discussion among independent directors, from time to time as circumstances dictate, the independent directors can request a meeting or a portion thereof to be restricted to independent directors for the purpose of discussing matters independently of management. In addition, independent directors are encouraged to remain in communication with one another between meetings as and when they deem it appropriate.



The Board has appointed Mr. Guidi, who is not independent, as Chairman of the Board and Mr. Hill as independent lead director. Mr. Hill's role as independent lead director is to provide leadership to the Company's independent directors by encouraging a culture of ethical business conduct. Each member of the Board is encouraged to conduct a self-review to determine if they are providing an effective service in regards to both the Company and its shareholders. Should it be deemed that a member of the Board is unable to effectively act on behalf of the Board or in the interests of the Company or its shareholders, the director would be encouraged to resign his/her position on the Board.

The Company and the Board have been successful in focusing on trying to ensure the availability of its Board members to attend all Board meetings, and in the financial year ended March 31, 2015, all Board members attended 100% of the Board meetings held.

The following table provides details regarding director attendance at Board meetings held during the financial year ended March 31, 2015:

#### **Meetings Attended out of Meetings Held**

Garth Johnson	5/5
Alex Guidi	5/5
Keith Hill	5/5
Ronald Bertuzzi	3/3
Ken Vidalin	5/5
Douglas Ellenor	2/2

## **2. Board Mandate**

The Board does not have a written mandate. The Board delineates its role and responsibilities based on the statutory and common law applicable to the Company. The Board believes its mandate is to manage the business and affairs of the Company. While day-to-day management of the Company has been delegated by the Board to executive management, the Board fulfills its responsibility for the broader stewardship of the Company's business and affairs through its regular meetings at which members of management provide reports to the Board with respect to the Company's business and operations, make proposals to the Board and receive the Board's decisions for implementation. Any responsibility that has not been delegated to executive management or a Board committee remains with the full Board.

The Board believes that its approach to corporate governance is appropriate and works effectively for the Company and its shareholders, and is consistent with the overall business of the Company and its stage of development.

## **3. Directorships**

Mr. Keith Hill is currently a director of other issuers that are reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction. Specifically, Mr. Hill is a director of ShaMaran Petroleum, Africa Energy, Tyner Resources, BlackPearl Resources, Africa Oil, and Petro Vista Energy.

Mr. Toby Pierce is currently a director of other issuers that are reporting issuers (or the equivalent) in a jurisdiction or a foreign jurisdiction. Specifically, Mr. Pierce is a director of Crest Petroleum, Crystal Exploration, and Chelsea Oil and Gas.

The Board has not developed written position descriptions for the Chairman of the Board and chair of each Board committee. The Board does not expressly delineate the roles and responsibilities of these positions and relies upon the provisions of the articles of the Company and the statutory and common law to define such roles and responsibilities. Given the size of the Company, the Board does not feel that it is necessary at this time to formalize such position descriptions, as it is currently the Board's view that the general mandates of committees on which such directors may sit are sufficient to delineate the role and responsibilities of the chair of each committee. Additional guidance is provided through reference to industry norms and past practice. The chair of each Board committee is required to ensure the committee



meets regularly and performs the duties as set forth in the committee mandate, and reports to the Board on the activities of the committee. The Chairman is principally responsible for overseeing the operations and affairs of the Board.

The Board and the CEO have not developed a written position description for the CEO. The Board meets annually to set objectives for the CEO, along with delineating the roles and responsibilities of the CEO. The Board reviews and approves the objectives of the CEO and evaluates the CEO's performance in connection with these objectives. The Board will also determine whether the roles and responsibilities of the CEO correspond with achieving these objectives. The Board believes that the CEO has the responsibility for all of the functions and operations of the Company on a day-to-day basis.

#### **4. Orientation and Continuing Education**

The Board provides ad hoc orientation for new directors, which generally consists of providing education regarding directors' responsibilities, corporate governance issues, and committee charters. Continuing education opportunities are available to Board members as requested. On occasions where it is considered advisable, the Board will provide directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board also ensures that each director is up-to-date with current information regarding the business of the Company, the role the director is expected to fulfill and basic procedures and operations of the Board and its committees. Board members are also given access to management and other employees and advisors, who can answer any questions that may arise. Management also updates the Board concerning the status of the Company and, in respect of material transactions, including review of financial statements, provides opportunities for Board review and approval by way of directors' consent resolutions.

#### **5. Ethical Business Conduct**

The Board is of the view that the fiduciary duties placed on individual directors by the Company'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 are sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Nevertheless, the Company has adopted a formal written code of ethics (the "**Code of Ethics**"), which sets out the ethical and behavioural standards expected of the Company's directors, officers, employees and contractors. These standards include integrity and objectivity, fair dealing and due care, proper use of the Company's assets, property and information and compliance with applicable laws, regulations and rules. The Code of Ethics requires all directors, officers and employees to promptly report potential or suspected violations of the Code orally or in writing and, if preferred, anonymously. Concerns may be raised with the CEO or, if related to accounting or auditing matters, with the Audit Committee.

The Board satisfies itself regarding compliance with the Code of Ethics by reasonably ensuring that all directors, officers and employees receive and become familiar with the Code of Ethics and acknowledge their support and understanding of the Code of Ethics. To ensure independent judgement, directors are required by applicable law and the Code of Ethics to promptly disclose any potential conflict of interest that may arise and where required by applicable law to abstain from voting with respect to an agreement or transaction in which they have a material interest. In addition, the Code of Ethics prohibits any director or employee from retaliating or taking adverse action against anyone for raising good faith suspected conduct violations or helping to resolve a conduct concern. The Company will provide a copy of the Code of Ethics, free of charge, upon request to the Company (telephone no.: (604) 682-6496; fax no.: (604) 682-1174). A copy of the Code of Ethics is also available under the Company's profile on SEDAR and may be downloaded without charge at [www.sedar.com](http://www.sedar.com).

## **6. Nomination of Directors**

The Nominating Committee consists of three independent directors, Ken Vidalin (Chairman), Keith Hill and Brad Holland. The Nominating Committee is responsible for identifying, assessing and making recommendations as to candidates qualified for election to the Board and Board committees, and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Nominating Committee also considers the size of the Board each year when it considers the number of directors to recommend to the shareholders for election at the shareholders' meeting of the Company, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. In the event of a vacancy on the Board, the Nominating Committee would evaluate potential candidates on the basis of factors such as their past business experience; their industry knowledge; and their ability to contribute to the success of the Company.

As at the date hereof, the Board has adopted a majority voting policy, which provides that if a director nominee has more votes withheld than are voted in favour of them, the nominee will submit their resignation promptly after the Meeting for the Compensation Committee's consideration. The Compensation Committee will make a recommendation to the Board after reviewing the matter and the Board's decision to accept or reject the resignation will be disclosed to the public. The nominee will not participate in any Compensation Committee or Board deliberations considering their resignation. The policy does not apply in circumstances involving contested director elections.

During the fiscal year ended March 31, 2015, the Nominating Committee met one (1) time, at which all members of such Nominating Committee were present.

## **7. Compensation**

As at the date of this Information Circular, the Compensation Committee consists of Brad Holland (Chairman) and Keith Hill, each of whom is independent and neither of whom is an officer or employee of the Company or any of its subsidiaries. The Board believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate. Also, it is notable that Mr. Hill has extensive experience setting compensation for executives in companies of a similar size to the Company. The Compensation Committee's charter mandates the Compensation Committee to recommend to the Board the form and amount of compensation to be paid by the Company to directors for service on the Board and on Board committees and to recommend the structure of the Company's compensation programs, both for management and staff, including base salaries, perquisites and long and short-term incentive compensation, including cash bonuses and Option grants. The Compensation Committee is also mandated to review the performance of the Chief Executive Officer and Chief Financial Officer. A copy of the Compensation Committee's charter is attached to the Company's Annual Report on Form 20-F dated March 31, 2006, and is incorporated by reference herein and may be downloaded without charge from SEDAR at [www.sedar.com](http://www.sedar.com).

The Compensation Committee meets from time to time during the year for the purpose of, among other things, reviewing the overall employee and executive officer compensation program, as well as the adequacy and form of annual compensation for directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director, and recommending the approval of any proposed changes to these compensation programs to the Board. The Compensation Committee makes specific recommendations to the Board on base salaries, cash bonuses and Option grants. The Compensation Committee ensures the total compensation package facilitates the attraction and retention of a strong executive management team and employees. The Board reviews all recommendations of the Compensation Committee relating to compensation matters before final approval. The Compensation Committee did not retain a compensation consultant or advisor at any time since the beginning of the Corporation's most recently completed financial year to assist in determining compensation for any of its directors, executive officers, and employees.

During the fiscal year ended March 31, 2015, the Compensation Committee met four (4) times, at which all members of such Compensation Committee were present.

#### **8. Other Board Committees**

The Board has no committees other than the Audit, Nominating, and Compensation Committees. In light of the Company's stage of development and small Board size it considers this to be reasonable.

#### **9. Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board on a regular basis in order to satisfy itself that the Board, committees and individual directors are performing effectively.

#### **10. Director Term Limits**

The Board has not adopted policies imposing an arbitrary term or retirement age limit in connection with individuals nominated for election as directors as it does not believe that such a limit is in the best interests of the Company at this time. The Nominating Committee annually reviews the composition of the Board, including the age and tenure of individual directors. The Board strives to achieve a balance between the desirability to have a depth of experience from its members and the need for renewal and new perspectives. The Nominating Committee has determined that the Board is highly effective and well composed and that no appreciable benefit would be derived from the introduction of term or retirement age limits at this time.

#### **11. Representation of Women**

The Board has not adopted a written policy or set targets relating to the identification and nomination of women directors or executive officers as it does not believe that it is necessary in the case of the Company to have such written policy at this time. The Board is committed to nominating the best individuals to fulfill director roles and executive officer positions. The Board believes that diversity is important to ensure that Board members and senior management provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the important role that woman with appropriate and relevant skills and experience can play in contributing to diversity of perspective in the boardroom and in senior management roles.

Each year, the Nominating Committee reviews the general and specific criteria applicable to candidates to be considered for nomination to the Board. The Nominating Committee aims to maintain the composition of the Board in a way that provides the best mix of skill and experience to guide the Company's long-term strategy and ongoing business operations. Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity within its leadership ranks and this is just one of several factors used in its search process.

Currently, the Company has no female board members and no female executive officers, representing 0% of the Company's directors and executive officers. The Nominating Committee has determined to monitor developments in this area while reviewing the Company's own practices in order to adopt a policy that is meaningful for the Company.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The Company has no compensation plans under which equity securities are authorized for issuance, except for the shareholder approved Share Option Plan.



## Equity Compensation Plan Information

The following table sets out the equity compensation plan information as at March 31, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (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	4,260,334	\$5.33	1,977,291
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	4,260,334	\$5.33	1,977,291

For more information, see “*Discussion of Plan-Based Awards – Share Option Plan*”.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed nominee for election as director, executive officer or their respective associates or affiliates, other management of the Company, employees, or former executive officers, directors or employees were indebted to the Company or its subsidiaries as at the end of the most recently completed financial year or as at the date hereof, or have been indebted to the Company or its subsidiaries at any time since the beginning of the most recently completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person of the Company or proposed director of the Company or a subsidiary of the Company or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as set out below or elsewhere in this Information Circular.

## MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are not, to any substantial degree, performed by anyone other than the directors or executive officers of the Company.

## OTHER MATTERS

The Board is not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Information Circular. If any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy, subject to instructions on the face of the Proxy to the contrary.



## **ADDITIONAL INFORMATION**

Financial information is provided in the Company's comparative financial statements and management discussion and analysis for its most recently completed financial year. Additional information relating to the Company is also available on SEDAR at [www.sedar.com](http://www.sedar.com) and may be downloaded free of charge.

The Company will provide to any shareholder, free of charge, upon request to the Company, telephone no. (604) 682-6496 or fax no. (604) 682-1174, a copy of any year end and interim financial statements of the Company and management's discussion and analysis filed with the applicable securities regulatory authorities during the past three years.

## **BOARD APPROVAL**

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia November 19, 2015.

/s/ Toby Pierce

**Toby Pierce**

**Chief Executive Officer**