MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis (MD&A) of Butte Energy Inc.'s (Butte or the Company) operating and financial results for the year ended December 31, 2014, compared to the year ended December 31, 2013, as well as information and expectations concerning the Company's outlook based on currently available information. The MD&A should be read in conjunction with the audited financial statements for the years ended December 31, 2014 and December 31, 2013. The financial statements have been prepared in accordance with International Accounting Standards. The reporting and measurement currency is the Canadian dollar.

This report is prepared as of March 30, 2015.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information including estimates of reserves and resources and future revenue associated therewith, expectations of future production, funds flow from operations and the Company's planned work programs and changes thereto in the prospect areas of Central Alberta. The use of any of the words "target", "plans", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. Such forward-looking information, including but not limited to statements as to production targets, timing of the Company's planned work program and management's belief as to the potential of certain properties, involve known and unknown risks, uncertainties and other factors which may cause the actual results of the Company and its operations to be materially different from estimated costs or results expressed or implied by such forward-looking statements. Forward looking information is based on management's expectations regarding future growth, results of operation, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), plans for and results of drilling activity, environmental matters, business prospects and opportunities. Forward looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration and development projects or capital expenditures; the uncertainty of reserve and resource estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, risks and uncertainties associated with securing the necessary regulatory approvals and financing to proceed with continued development of the prospects in Central Alberta. Although the Company has attempted to take into account important factors that could cause actual costs or results to differ materially, there may be other factors that cause costs of the Company's program or results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. See the Principal Business Risks section of this MD&A for a further description of these risks. The forward-looking information included in this MD&A is expressly qualified in its entirety by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking information.

OVERVIEW AND SELECTED ANNUAL INFORMATION

	December 31	
Results at a Glance	2014	2013
Financial (Canadian $ except as noted)		
Oil and gas revenue	**319,650**	547,606
Net operating income	**45,089**	340,560
Write-down of exploration and evaluation assets	**3,280,386**	1,033,926
General and administrative expenses	**612,829**	469,421
Loss for the period	**(5,620,448)**	(1,994,061)
Basic and fully diluted loss per share	**($0.13)**	($0.05)
Funds used in operations	**(568,752)**	(106,722)
Additions to oil and gas properties	**200,021**	196,491
Additions to exploration and evaluation assets	**138,649**	877,279
Cash and cash equivalents	**68,641**	177,410
Working capital deficiency	**(194,467)**	(108,147)
Total assets	**2,344,696**	6,950,218
Current and long-term liabilities	**11,336,632**	10,321,706
Shareholders' deficiency	**(8,991,936)**	(3,371,488)
Operating		
Average oil production (bopd)	**9**	9
Average oil price ($/barrel)	**78.59**	80.20
Average natural gas production (mcfd)	**82**	581
Average natural gas price ($/mcf)	**4.29**	2.97
Oil and gas revenue ($/BOE)	**39.54**	21.11
Royalties ($/BOE)	**(3.43)**	(1.34)
Operating costs ($/BOE)	**(30.53)**	(6.64)
Netback ($/BOE)	**5.58**	13.13

HIGHLIGHTS

- Production at Chigwell 04-35-042 well reinstated November 1, 2014.
- In the fourth quarter, the Company sold its interest in the well at PEOC HZ Plain 3-4-55-12 W4M to Perpetual Energy Inc.

OPERATIONS UPDATE

During 2014, the Company concentrated its oil and gas activities primarily on the development of its Chigwell property. Reinstatement of the production on Chigwell 4-35-42-26 W4 occurred in November. In early September, a new well licence was issued to drill the Chigwell 6-35-42-26 W4 location. The Alberta Energy

Regulator (AER) dismissed a subsequent objection and appeal launched by Glencoe Resources Ltd., and Butte can now move forward with the drilling of this well. Production from the 4-35 well continues to prove the viability of full development of section 35. After the 6-35 well is drilled, the Company will be in a position to make application for an Enhanced Oil Recovery (EOR) scheme. The EOR scheme, developed collaboratively with Butte's reservoir engineers and the AER, will allow for full and optimum development of the significant light oil reserve base.

During the fourth quarter, the Company sold its working interest in the PEOC HZ Plain 3-4-55-12 W4M well to the operator Perpetual Energy Inc. The decision to sell was precipitated by the steep increase in water production, which rendered the well uneconomical.

OPERATING AND FINANCIAL RESULTS

Production and Revenue

	December 31,		
	2014	2013	**%**
Average oil production (bopd)	**9**	9	-
Average natural gas production (mcf/d)	**82**	581	(86)
Average production (boepd)	**22**	106	(79)
Average oil price ($/bbl)	**78.59**	80.20	(2)
Average natural gas price ($/mcf)	**4.29**	2.97	44
Oil revenue	**245,592**	179,131	37
Natural gas revenue	**74,058**	368,475	(80)

The Company's interest in PEOC HZ 3-4-55-12 well sold to Perpetual Energy Inc. in the fourth quarter and the well at Chigwell 04-35-042 was put back on production on November 1, 2014. During 2014, the average oil production remained unchanged by comparison to 2013 at 9 bopd. Although the average oil production is comparable year over year, the number of production days in 2014 was greater resulting in an increase of $69,900. This was offset by a small decrease in price ($3,600) resulting in a 37 percent increase in oil revenue.

For 2014 natural gas production averaged 82 mcf/d compared to 581 mcf/d in 2013. The decline in production resulted from a significant increase in water production ultimately leading to the sale of the PEOC HZ 3-4-55-12 well to Perpetual Energy Inc. The decline in the gas production ($458,500) offset by an increase in the average gas price ($164,000) resulted in an 80 percent decrease in gas revenue.

Production was 22 boepd in 2014 compared to 106 boepd in 2013, a decrease of 79 percent. The decrease is due to a combination of the factors discussed above.

Royalties, Operating Expenses and Netbacks

($/BOE)	December 31, 2014	2013	%
Average price	**39.54**	21.11	87
Royalties	**(3.43)**	(1.34)	(156)
Operating costs	**(30.53)**	(6.64)	(360)
Netback	**5.58**	13.13	(58)

Royalties on Chigwell production averaged 22% and are primarily comprised of a 20% freehold royalty and a 2% gross overriding royalty. There is no crown royalty as the well was drilled on freehold land. The royalties on the PEOC HZ 3-4-55-12 well averaged 5% due to a royalty incentive program of the Alberta government.

Operating expenses for 2014 were $246,800 compared to $172,200 in 2013. Operating expenses averaged $30.53 per boe during the year compared to $6.64 per boe in 2013. The well at Chigwell was shut-in for most of the year but contributed $84,900 towards current year expenses due to payment of surface equipment rentals, freehold lease rentals and other commitments incurred in bringing the well back on production. Water trucking and disposal costs of $107,300 at PEOC HZ 3-4-55-12 were a major contributor to operating costs during the year.

General and Administrative Expenses

General and administrative expenses (G&A) for the year were $612,800 compared to $469,400 for 2013. The increase in G&A compared to the same period in 2013 primarily relates to higher consulting and legal fees. The legal fees pertain to the charges relating to the ongoing discoveries concerning the Company’s lawsuit with Sinopec.

Depletion and Depreciation

Depletion expense for 2014 was $148,700 compared to $491,100 for 2013. The change in depletion expense during the year was due to decreased asset base and lower production. Depreciation expense for the year was $8,100 (2013 - $3,000).

Net Loss and Funds Used in Operations

The Company posted a loss of $5,620,400 ($0.13 per share) for the year compared to a loss of $1,994,100 ($0.05 per share) in 2013. The increase in the loss was due to a decrease in net oil and gas revenues ($295,500), an increase in the write-down of exploration and evaluation assets ($2,246,500), loss from sale of property, plant and equipment ($1,245,600), an increase in General and Administrative expenses ($143,400) offset by lower depletion expense ($342,400).

Funds used in operations (before changes in non-cash working capital) were $568,800 for the year compared to $106,700 in 2013.

CAPITAL EXPENDITURE

		December 31,		
		2014		2013
Additions to exploration and evaluation assets	**$**	**138,649**	$	877,279
Additions to oil and gas properties		**200,021**		196,491
	$	**338,670**	$	1,073,770

During the year, the Company spent approximately $24,600 on drilling and completion costs, $254,700 on equipping costs and $59,400 on land costs.

Exploration and evaluation costs pertain to St. Albert 13-02-054-26 W4M well as to $89,800; Willingdon area costs as to $33,200; Sholdice 12-10-020-22 W4M well as to $7,800; Birchwavy 15-01-056-14 W4M well as to $4,000 and Birchwavy 12-11-050-08 W4M well as to $3,800.

Oil and gas property costs relate to Chigwell 04-35-042-26 W4M as to $162,800; PEOC HZ Plain 3-4-55-12 W4M well as to $27,700; and Chigwell 06-35-042-26 W4M as to $9,500.

The Company charged exploration costs of $3,280,400 (2013 - $1,033,900) pertaining to land and drilling and completion expenditures to operations due to financial constraints and impending lease expiries in accordance with the IFRS rules. The majority of these costs related to the Willingdon 02-26-055-15 W4M as to $896,800; Willingdon General Area as to $2,104,500; Morinville General Area as to $173,700; St. Albert 13-02-054-26 W4M as to $89,800; Sholdice 12-10-020-22 W4M as to $7,800; Birchwavy area as to $8,900.

During the year, the Company sold its working interest in the PEOC 3-4-55-12 W4M well to its joint venture partner for $71,100 in settlement of accounts payable owing. The Company recognized a loss of $1,245,600 in this transaction.

OIL AND GAS RESERVES

Annually, the Company obtains an independent reserve evaluation of its oil and gas properties by Chapman Petroleum Engineering Ltd. During, 2014, the Company's proved and probable reserves increased by 59% to 277,000 boe from 216,000 boe at the end of 2013. After tax net present value of the proved and probable reserves decreased to $4.4 million in comparison to $5.5 million for 2013 using a 10% discount factor. The table below summarizes the changes in the Company's reserves and the associated net present values in 2014 from 2013.

	2014	2013	%
Proved			
Net oil (Mbbls)	**1**	16	(94)
Net gas (Mmcf)	**-**	158	(100)
Total Net Proved (Mboes)	**1**	42	(98)
Probable			
Net oil (Mbbls)	**276**	165	67
Net gas (Mmcf)	**-**	55	(100)
Total Net Probable (Mboes)	**276**	174	59
Total Net Proved and Probable (Mboes)	**277**	216	28
Discounted 10% NPV (Millions $)			
Proved reserves	**14**	620	(98)
Probable reserves	**4,387**	4,925	(11)
Total Net Proved and Probable	**4,401**	5,545	(21)

TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2014, the Company had promissory notes and advances owing to directors for $10,795,317 and interest payable of $101,224 to Sand Hills Energy Inc., a Company owned by a director on a promissory note, which was subsequently transferred to a director in July 2011. Sand Hills Energy Inc. ("Sand Hills") is considered a related party by virtue of a common director.

The maturity of the note that had been originally payable to Sand Hills Energy Inc. and had been subsequently transferred to a director was extended to December 31, 2016 from December 31, 2012.

The notes payable to the directors are unsecured and bears interest at prime plus three percent. For the year ended December 31, 2014, $368,932 (2013 - $337,830) of interest expense was accrued on promissory notes. Of the total payable, $7,344,697 matures on December 31, 2016 and the director agreed not to demand payment over the next twelve months on the remaining indebtedness. Consequently, amount due to directors is classified as a long term liability.

The advances from directors above are unsecured, payable on demand and non-interest bearing. In the fourth quarter, the Company received $405,000 as a result of additional funding.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2014, the Company had a working capital deficiency of $194,400 compared to a working capital deficiency of $108,100 at December 31, 2013. The increase in working capital deficiency is a result of funding by the directors offset by a increase in the funds used in operations.

Presently, the Company does not generate sufficient cash flows from its operations. Consequently, the Company needs to raise additional funds by way of equity or debt in order to continue its exploration and development activities and fund its operations. However, there is no assurance that the Company will be able to raise the required funds on terms acceptable to it or at all, which could result in the Company restricting or terminating its capital expenditure program.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Significant accounting policies are disclosed in Note 4 to the Audited Financial Statements. Preparation of financial statements in accordance with IFRS requires that management make estimates that affect the reported amount of assets, liabilities, revenues and expenses. The estimates used in applying these critical accounting policies for property, plant and equipment are as follows:

Property, Plant and Equipment and Exploration and Evaluation Assets

Property, plant and equipment is measured at cost less accumulated depletion, depreciation and impairment losses. Oil and gas properties are depleted using the unit-of-production method over proved and probable reserves. The unit of production rate includes expenditures incurred to date in addition to future development costs required to develop the proved and probable reserves. The determination of proved and probable reserves is dependent on reserve evaluations which are subject to the significant judgments and estimates.

Exploration and evaluation ("E&E") assets are costs associated with the Company's exploration and development activities. Costs are initially capitalized and include expenditures such as the acquisition of licenses, seismic acquisition, drilling and testing and estimated retirement costs. E&E assets are accumulated in cost centres pending determination of the technical feasibility and commercial viability of extracting a mineral resource. In order to determine whether technical feasibility and commercial viability result in the extraction of a mineral resource proved reserves must be determined to exist. The determination of proved or probable reserves is dependent on reserve evaluations which are subject to significant judgments and estimates.

An acceptable alternative method of accounting for E&E assets exists under IFRS 6 "Exploration for and Evaluation of Mineral Resources". This methodology allows for charging exploratory dry holes and geological and geophysical exploration costs incurred after having obtained the legal right to explore an area against net earnings in the period incurred, rather than capitalizing to E&E assets.

Property, plant and equipment is tested for impairment whenever changes in conditions indicate that the carrying value of an asset or group of assets may not be recoverable. Indications of impairment include the existence of low commodity prices for an extended period, significant downward revisions of estimated reserves, increases in future estimated development expenditures or significant adverse changes in the applicable legislative or regulatory frameworks. If any such indication of impairment exists, the Company performs an impairment test related to the specific assets. Individual assets are grouped for impairment assessment purposes into Cash Generating Units ("CGUs") which are the lowest level at which there are identifiable cash inflows that are largely independent of the cash flows of other groups of assets. The determination of fair value of CGUs requires the use of assumptions and estimates including quantities of recoverable reserves, production quantities, future commodity prices and development and operating costs. Changes in any of these assumptions, such as a downward revision in reserves, decrease in commodity prices or increase in costs, could impact fair value.

Crude Oil and Natural Gas Reserves

Reserve estimation involves an exercise of judgment. Estimates are based on engineering data, future prices, expected future rates of production and timing of future capital costs, all of which are subject to many uncertainties and interpretations. The Company expects that over that over time, its reserve estimates will be adjusted either upward or downward based on updated information such as the results of future drilling, testing, production levels and a change in commodity prices. Reserve estimates can have a significant impact on net earnings, as they are a key component in the calculation of depletion and depreciation and for determining potential asset impairment. As an example, a change in the proved reserve estimates would result in an increase or decrease to the depletion and depreciation charge to net earnings. Downward revisions to reserve estimates may also result in an impairment of property, plant and equipment carrying amounts.

Asset Retirement Obligations

The Company recognizes an asset and liability for any existing asset retirement obligation ("ARO") associated with its property, plant and equipment. The ARO provision is determined by discounting the expected future cash flows to settle the ARO at the risk free rate specific to the liability in effect at the end of the period. The ARO will be adjusted, subsequent to the initial measurement for changes in cash flows pertaining to the obligation, changes to the risk free rate and changes to the passage of time. Changes due to the passage of time are recorded as accretion expense whereas changes to the risk free rate and estimated future cash flows are recorded as an increase to property, plant and equipment.

Estimating the timing and amount of cash flows to measure the obligations are exceptionally challenging and are based on management's experience. Changes in estimates would affect accretion and depletion expense in net earnings.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements. The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses. For other debts, the Company estimates, on a continuing basis, the probable losses and provides a provision for losses based on the estimated realized value. The fair value of these financial instruments approximates the carrying values of these instruments.

Income Taxes

The Company accounts for deferred income taxes calculated on the estimated tax effects of temporary differences between the carrying value of assets and liabilities in the financial statements and their respective tax basis using income tax rates substantively enacted as at the date of the balance sheet. Future earnings can be impacted by the reversal of timing differences and changes to tax legislation.

Stock-Based Compensation

The Black-Scholes model is used in arriving at the fair value for all share-based awards issued by the Company. In estimating the fair value of the stock-based compensation estimates used are expected volatility in share price, option life, risk-free rate and estimated forfeitures at the initial grant date. These estimates are subject to measurement uncertainty.

INTERNAL CONTROL OVER REPORTING

The Company's President and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109. The Company's CEO and CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that information to be disclosed by the Company is accumulated and communicated to management as appropriate to allow timely decisions regarding the required disclosure.

The CEO and CFO have also designed internal control over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. During the year ended December 31, 2014, there have been no changes to the Company's internal controls over financial reporting.

Because of their inherent limitations, disclosure controls and procedures and internal control over financial reporting may not prevent or detect misstatements, error or fraud. Control systems, no matter how well conceived or operated, can provide only reasonable, not absolute assurance, that the objectives of the control system are met.

QUARTERLY SUMMARY

Below is a summary of Butte's performance over the last eight quarters:

	2014			
($, except as noted)	**Q4**	**Q3**	**Q2**	**Q1**
Daily Production				
Oil (bpd)	14	5	9	12
Natural gas (mcf/d)	-	28	74	107
Average production (boepd)	14	10	21	30

	2013			
($, except as noted)	**Q4**	**Q3**	**Q2**	**Q1**
Daily Production				
Oil (bpd)	10	6	4	4
Natural gas (mcf/d)	735	363	930	-
Average production (boepd)	133	67	159	4

	2014			
($, except as noted)	**Q4**	**Q3**	**Q2**	**Q1**
Average Price				
Oil ($/bbl)	68.00	79.79	85.96	90.95
Natural gas ($/mcf)	-	6.28	4.22	4.15
Average price ($/boe)	68.00	47.66	51.06	41.74

	2013			
($, except as noted)	**Q4**	**Q3**	**Q2**	**Q1**
Average Price				
Oil ($/bbl)	74.14	85.76	66.25	87.28
Natural gas ($/mcf)	3.04	2.47	3.46	-
Average price ($/boe)	22.40	21.22	22.06	87.28

($, except as noted)	2014 Q4	Q3	Q2	Q1
Netback				
Average price ($/bbl)	68.00	47.66	51.06	41.74
Royalties	(14.57)	(2.26)	(1.64)	(1.82)
Operating expenses	(49.23)	(89.03)	(34.45)	(16.79)
Netback ($/bbl)	4.20	(43.63)	14.97	23.13

($, except as noted)	2013 Q4	Q3	Q2	Q1
Netback				
Average price ($/bbl)	22.40	21.22	22.06	87.28
Royalties	(2.06)	(0.12)	(0.16)	(14.05)
Operating expenses	(4.59)	(5.07)	(10.02)	(95.88)
Netback ($/bbl)	15.75	16.03	11.88	(22.65)

($, except as noted)	2014 Q4	Q3	Q2	Q1
Net operating income				
Oil and gas revenue	86,522	43,099	99,984	90,045
Royalties	(18,532)	(2,040)	(3,215)	(3,937)
Operating expenses	(62,643)	(80,516)	(67,467)	(36,211)
	5,347	(39,457)	29,302	49,897

($, except as noted)	2013 Q4	Q3	Q2	Q1
Net operating income				
Oil and gas revenue	272,548	129,918	103,823	41,317
Royalties	(25,109)	(756)	(2,289)	(6,653)
Operating expenses	(55,874)	(31,027)	(39,950)	(45,388)
	191,565	98,135	61,584	(10,724)

	2014			
	Q4	**Q3**	**Q2**	**Q1**
Write-down of exploration and evaluation assets	3,171,763	76,672	3,101	28,850
General and administrative expenses	130,250	134,710	184,640	163,229
Net loss	(4,668,723)	(360,314)	(301,672)	(289,739)
Basic and Fully Diluted loss per share	(0.11)	(0.01)	(0.00)	(0.01)

	2013			
	Q4	**Q3**	**Q2**	**Q1**
Write-down of exploration and evaluation assets	941,537	39,780	8,265	44,344
General and administrative expenses	118,265	87,499	126,617	137,040
Net loss	(1,281,864)	(261,442)	(162,388)	(288,367)
Basic and Fully Diluted loss per share	(0.03)	(0.01)	(0.00)	(0.01)

FOURTH QUARTER 2014

Oil production during the fourth quarter averaged 14 bopd as compared to 5 bopd for the third quarter, an increase of 180%. There was no gas production during fourth quarter compared to 28 mcfpd for the third quarter.

The increase in oil production was primarily due to the Company's resumption of production at Chigwell 04-35-042-26 W4M during the fourth quarter. Production rates for this well were higher than production for the PEOC HZ 3-4-55-12 well that was sold in the fourth quarter to Perpetual Energy Inc.

Oil and gas revenue during the fourth quarter was $86,500 compared to $43,100 for the third quarter. Net operating income was also higher at $5,300 during the fourth quarter compared to an operating loss of $39,500 in the third quarter. Oil and gas revenue was higher due to the explanation above and the operating income increased due primarily to lower operating costs in the quarter.

The Company incurred a loss of $4,668,700 during the quarter compared to a $360,300 loss during the third quarter. The decrease in loss pertains mainly to an increase in the write-down of exploration and evaluation assets during the quarter, a loss on the sale of oil and gas properties and a decrease in net operating income.

The Company used funds from operations of $125,300 in the fourth quarter compared to $174,100 in the third quarter.

The capital expenditures during the fourth quarter were $106,400, the majority of which were incurred in equipping the well at Chigwell 4-35-042-26 W4M.

Total general and administrative expenses for the fourth quarter were $130,300 compared to $134,700 in the third quarter.

OUTSTANDING SHARE DATA

There were 43,738,810, common shares outstanding as at December 31, 2014 and March 30, 2015. The Company also had no stock options outstanding as at the same dates.

PRINCIPAL BUSINESS RISKS

Butte's business and results of operations are subject to a number of risks and uncertainties, including but not limited to the following:

Exploration, development, production and marketing of oil and natural gas involves a wide variety of risks which include but are not limited to the uncertainty of finding oil and gas in commercial quantities, securing markets for existing reserves, commodity price fluctuations, exchange and interest rate exposure and changes to government regulations, including regulations relating to prices, taxes, royalties and environmental protection. The oil and gas industry is intensely competitive and the Company competes with a large number of companies with greater resources.

Butte's ability to increase its reserves in the future will depend not only on its ability to successfully explore and develop its current properties but also on its ability to acquire new prospects and producing properties. The acquisition, exploration and development of new properties also require that sufficient capital from outside sources will be available to the Company in a timely manner. The availability of equity or debt financing is affected by several factors, many which are beyond the control of the Company.

CHANGES IN ACCOUNTING POLICIES

New standards not yet adopted

As of January 1, 2018, the Company will be required to adopt IFRS 9, "Financial Instruments". The IASB issued IFRS 9, which is the first phase of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard replaces the current multiple classification and measurement models for financial asset and liabilities with a single model that has only two classification categories: amortized cost and fair value.

IFRS 15, "Revenue from Contracts with Customers" is a comprehensive new standard on revenue recognition that replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The standard specifies how and when to recognize revenue as well as requiring entities to provide more informative and relevant disclosure. The new standard is effective for years beginning on or after January 1, 2017, with earlier adoption permitted.

The Company is currently evaluating the impact of adopting these amended standards.

CORPORATE INFORMATION

DIRECTORS AND OFFICERS

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Director, Chairman of the Board

Charles Baker
Director

Chris Reimchen
Director

Gerry Gilbert 1 2 3
Director

Cuneyt Tirmandi 1 2 3
Director

Ty Pfeifer
President and Chief Executive Officer

Chris Reimchen
Chief Financial Officer

1 Member of the Audit Committee
2 Member of the Corporate Governance Committee
3 Member of the Compensation Committee

STOCK EXCHANGE LISTING
TSX Venture Exchange
Trading Symbol: BEN

LEGAL COUNSEL
Borden Ladner Gervais LLP
Calgary, Alberta

AUDITORS
Czechowsky, Graham & Hanevelt
Calgary, AB

BANKERS
ATB Financial
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CONSULTING ENGINEERS
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