BUTTE ENERGY INC.

Annual General and Special Meeting of Shareholders to be held on August 1, 2017

INFORMATION CIRCULAR

Dated June 30, 2017

BUTTE ENERGY INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
To Be Held on August 1, 2017

TAKE NOTICE THAT the Annual General and Special Meeting (the "**Meeting**") of the shareholders of Butte Energy Inc. (the "**Company**") will be held at 500, 1414 Eighth Street SW, Calgary, Alberta at 10:00 a.m. (Calgary time) for the following purposes:

1. To receive the financial statements of the Company as at and for the year ended December 31, 2016 and the report of the auditors thereon;
2. To fix the board of directors of the Company to be elected at the Meeting at five (5) members;
3. To elect the directors of the Company for the ensuing year;
4. To appoint Czechowsky, Graham & Hanevelt, Chartered Professional Accountants as the auditors of the Company for the ensuing year;
5. To approve the sale of all, or substantially all, of the Company's principal operating assets in accordance with the *Business Corporations Act* (Alberta) (the "**ABCA**") as contemplated in the Purchase and Sale Agreement (as such term is defined in the accompanying Information Circular);
6. To consider, and if thought advisable, to pass, with or without variation, a special resolution (the "**Winding Up Resolution**"), approving the dissolution of the Company pursuant to the ABCA; and
7. To transact such other business as may be properly brought before the Meeting or any adjournment thereof.

Shareholders are referred to the accompanying Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

A SHAREHOLDER MAY ATTEND THE MEETING IN PERSON OR MAY BE REPRESENTED BY A PROXY-HOLDER. SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO DATE, SIGN AND RETURN THE ACCOMPANYING INSTRUMENT OF PROXY, OR OTHER APPROPRIATE FORM OF PROXY, IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH IN THE ACCOMPANYING INFORMATION CIRCULAR.

An Instrument of Proxy will not be valid unless it is deposited at the office of Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as a proxy-holder need not be a shareholder of the Company.

Only persons registered as holders of common shares as at the close of business on June 12**,** 2017 are entitled to receive notice of the Meeting.

Dated at Calgary, Alberta as of the 30th day of June, 2017.

By Order of the Board of Directors

(signed) *Tyron Pfeifer, President and Chief Executive Officer*

BUTTE ENERGY INC.
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD AUGUST 1, 2017

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Butte Energy Inc. (the "**Company**") for use at the Annual General and Special Meeting (the "**Meeting**") of holders ("**Shareholders**") of Class A Common shares ("**Shares**") of the Company to be held at 500, 1414 Eighth Street SW, Calgary, Alberta at 10:00 a.m. (Calgary time) or at any adjournments or postponements thereof for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders. The information contained in this Information Circular is given as at June 30, 2017 except where otherwise indicated. **This solicitation is made on behalf of the management of the Company. The costs incurred in connection with this solicitation will be borne by the Company.**

In accordance with National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares of the Company held of record by such persons and the Company will reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

APPOINTMENT OF PROXIES

Those Shareholders who desire to be represented at the Meeting by proxy must deposit their completed forms of proxy with Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and holidays) preceding the day of the Meeting. The record date for the Meeting is June 12, 2017 (the "**Record Date**"). Only Shareholders of record as at the Record Date are entitled to receive notice of and to vote at the Meeting unless a Shareholder transfers such shareholder's shares after the Record Date and the transferee of those shares establishes that the transferee owns the shares and demands, not later than the close of business 10 business days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting. A proxy must be executed by the Shareholder or the Shareholder's attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized.

The persons named in the accompanying proxy (the "Management Designees") are officers and/or directors of the Company. A Shareholder has the right to appoint a person (who need not be a shareholder) to attend and act on his behalf at the Meeting other than the person named in the proxy. To exercise this right, the Shareholder must strike out the names of the person named in the proxy and insert the name of the Shareholder's nominee in the space provided or complete another form of proxy and, in either case, deposit the proxy at the place and within the time specified above for deposit of proxies.

EXERCISE OF DISCRETION BY PROXIES

The Shares represented by the proxy enclosed with this Information Circular will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted on, the Shares will be voted accordingly, but if no specification is made, the proxy will be voted in favor of the matters set forth in the proxy. If any amendments or variations are proposed at the Meeting or any adjournment thereof to the matters which are set forth in the proxy and described in the accompanying Notice of Annual General and Special Meeting of Shareholders and in this Information Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers discretionary authority upon the proxy-holder to vote on such amendments or variations of such other matters in the sole discretion of the person who has been appointed as proxy-holder. At the date of this Information Circular, the management of the Company knows of no such amendments or variations or other matters to come before the Meeting.

REVOCATION OF PROXIES

A Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy personally attends at the Meeting for which the proxy has been given, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the Shareholder or his attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and delivered to Computershare, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, not later than 48 hours (excluding Saturdays, Sundays and holidays) preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to many Shareholders, as a substantial number do not hold their Shares in their own name. Shareholders who do not hold their shares in their own name (referred to herein as "**Beneficial Shareholders**") are advised that only proxies from Shareholders of record can be recognized and voted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which acts as nominee for many Canadian brokerage firms).

Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the Shares registered in the name of CDS & Co. are held, and directors and officers of the Company do not necessarily know for whose benefit the Shares registered in the name of any broker or agent are held. Beneficial Shareholders who complete and return a form of proxy must indicate thereon the person (usually a brokerage house) who holds their Shares as a registered Shareholder. Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every broker and other intermediary has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The form of proxy supplied by brokers and other intermediaries to Beneficial Shareholders may be very similar and in some cases identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder.

In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

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

Beneficial Shareholders should contact their broker or other intermediary through which they hold Shares if they have any questions regarding the voting of such Shares. All references to Shareholders in this Information Circular and the accompanying proxy and Notice of Annual General and Special Meeting of Shareholders are to Shareholders of record unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has only one class of shares entitled to be voted at the Meeting, namely, Class A Common shares. Each Share confers upon the holder thereof the right to one non-cumulative vote. As at June 30, 2017 there were 43,738,810 Shares issued and outstanding. All issued and outstanding Shares are entitled to be voted at the Meeting.

As at June 30, 2017 to the knowledge of the management of the Company, no persons beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all outstanding securities of the Company other than as follows:

Name	Shares	Percentage of Total
Victor Redekop[(1)]	25,703,902	58.77%
Charles Baker[(2)]	8,400,020	19.20%
Total	**34,103,922**	**77.97%**

Notes:

(1) 3,998,030 of the Shares beneficially owned directly or indirectly by Victor Redekop are registered in the name of his spouse.
(2) 400,020 of the Shares beneficially owned directly or indirectly by Charles Baker are registered in the name of his spouse.

EXECUTIVE COMPENSATION

Securities legislation requires the disclosure of compensation received by each director and "Named Executive Officer" of the Corporation for the two most recently completed financial years. The following table sets forth information concerning the total compensation during the Corporation's two most recently completed financial years for the directors of the Corporation and the Named Executive Officers, namely Tyron Pfeifer, President and Chief Executive Officer, and Chris Reimchen, Chief Financial Officer.

Name and Position	Year or Period Ended	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other compensation ($)	Total compensation ($)
Tyron Pfeifer President and Chief Executive Officer	Dec. 31, 2016 Dec. 31, 2015	80,000 120,000	Nil Nil	Nil Nil	Nil Nil	Nil Nil	80,000 120,000
Chris Reimchen Chief Financial Officer and Director	Dec. 31, 2016 Dec. 31, 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Victor Redekop Director	Dec. 31, 2016 Dec. 31, 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Gerald M. Gilbert Director	Dec. 31, 2016 Dec. 31, 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Cuneyt S. Tirmandi Director	Dec. 31, 2016 Dec. 31, 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Charles "Bill" Baker Director	Dec. 31, 2016 Dec. 31, 2015	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil

The Company did not grant or issue any compensation securities to any director or Named Executive Officer during the most recent financial year. No compensation securities were exercised by a director or Named Executive Officer during the most recently completed financial year. The Company no longer has an active Stock Option Plan.

Oversight and Description of Director and Named Executive Officer Compensation

Overview

The Board as a whole is responsible for determining the overall compensation strategy of the Company and administering the Company's executive compensation program. As part of its mandate, the board approves the appointment and remuneration of the Company's Executive Officers, including the Company's Named Executive Officers identified in the Summary Compensation Table. The board also reviews the Company's compensation policies and guidelines generally.

Objectives of Compensation Program

The objective of the executive compensation program is to attract, motivate, reward and retain management talent that is needed to achieve the Company's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Company, while at the same time keeping in mind that the Company currently has limited financial resources. It is the goal of the Board to endeavour to ensure that the compensation of Executive Officers allows the Company to achieve the objectives of the executive compensation program. The Board considers the Company's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements.

Role of Executive Officers in Compensation Decisions

The Board receives and reviews recommendations of the President relating to the general compensation structure, policies and programs for the Company and the salary and benefit levels for the Executive Officers. The Board will consider these recommendations when making final decisions on compensation for those executive officers.

Principal Components of Compensation Program

The executive compensation program is comprised of base salaries. Other components of the executive compensation program that may be considered in the future by the Company include equity-based compensation, perquisites and other personal benefits. Addressed separately below is each component of the executive compensation program.

Base Salaries

The review of salaries for Executive Officers occurs annually based on corporate and personal performance and on individual levels of responsibility. Salaries of the Executive Officers are not determined based on benchmarks or a specific formula. Given the current size of the Company and its limited financial resources, the Chief Financial Officer received no base salary during the last completed financial year. The "Summary Compensation Table" discloses the 2016 base salaries of the Named Executive Officers of the Company.

Equity-Based Compensation

The Company can establish a stock option plan which will govern the issuance of stock options to directors, officers, employees of the Company and its subsidiaries and consultants retained by the Company and its subsidiaries. The principal purpose of the Option Plan will be to provide the eligible participants with the opportunity to acquire an increased proprietary interest in the Company, align the interests of such eligible participants with the interests of the shareholders of the Company and to attract and retain qualified officers, employees and consultants to continue the Company's growth.

Perquisites and Other Components

Other components of compensation available to the Company may include perquisites and personal benefits as determined by the Board that are consistent with the overall compensation strategy. There is no formula for how perquisites or personal benefits are utilized in the total compensation package. At the end of the most recently completed financial year, the Company did not pay any perquisites or other personal benefits.

The Company does not provide any pension or retirement benefits to its Executive Officers.

Risks Associated with Compensation Policies and Practices

The oversight and administration of the Company's executive compensation program requires the Board to consider risks associated with the Company's compensation policies and practices. The Board considers potential risks associated with compensation policies and compensation awards when making decisions related to executive compensation.

The intention of the Company's executive compensation policies and practices is to align management incentives with the long-term interests of the Company and its shareholders. In each case, the Company seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include (i) the Company's operating strategy and related compensation philosophy; (ii) the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance, and financial and non-financial performance; and (iii) a multi-faceted approach to performance evaluation and compensation that does not reward an executive for engaging in risky behaviour to achieve one objective to the detriment of other objectives.
Based on this review, the Board believes that the Company's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

The Company does not prohibit the Named Executive Officers (as defined below) or the directors of the Company from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such person. The Named Executive Officers and directors have advised the Company that they have not entered into any such arrangements. To the extent that they subsequently enter into an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, their economic exposure to the Company, insider reporting laws in Canada provide that they must file a report disclosing the existence and material terms of the agreement, arrangement or understanding within five days of the event.

Compensation Governance

The Company's Compensation Committee is comprised of three independent directors, being Victor Redekop, Gerald Gilbert and Cuneyt Tirmandi. The Company has not retained a compensation consultant or advisor at any time since the Company's most recently completed financial year to assist the Board or the Compensation Committee in determining compensation for any of the Company's directors or officers.

Equity Compensation Plan Information

The following table sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as at December 31, 2016.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
The Option Plan	Nil	N/A	Nil
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	Nil	N/A	Nil

Note

(1) The Company no longer has an equity compensation pan in effect and all options that were previously issued expired in 2014.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company does not have in place any contracts, agreements, plans or arrangements that provide for payments to any Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in an Named Executive Officers' responsibilities.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No director or senior officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any such director or senior officer or proposed nominee has been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or senior officers 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 of the foregoing persons, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as disclosed in this Information Circular under the heading "Election of Directors".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, executive officers, any Shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Shares or any known associate or affiliate of such persons, in any transaction which has occurred since the commencement of the Company's last financial year or in any proposed transaction which has materially affected or would materially affect the Company, except:

(a) During 2016, Mr. Victor Redekop advanced $444,000 to the Company to finance the Company's ongoing exploration and development and working capital requirements (the "**Advance**"). The advance was unsecured, payable on demand and non-interest bearing. Mr. Redekop's address is 500, 1414 Eighth SW in Calgary, Alberta; and

(b) $350,485 of interest on the amounts owing to Mr. Victor Redekop other than the Advance have accrued and have been expensed for the year ended December 31, 2016 (2015 - $356,146).

CORPORATE GOVERNANCE DISCLOSURE

General

The Board views effective corporate governance as an essential element for the effective and efficient operation of the Company and is in the best interest of its shareholders. The Company strives to ensure that its corporate governance policies and practices provide for effective stewardship of the Company. The Company's principle objective in directing and managing its business and affairs is to enhance shareholder value. The Company believes that effective corporate governance improves corporate performance and benefits all of its shareholders.

On June 30, 2005, the Canadian Securities Administrators ("**CSA**") adopted rules regarding corporate governance best practices and amendments to the rules relating to audit committees, through the implementation of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") and amendments to National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

This statement of corporate governance practices sets out the Board's review of the Company's governance practices relative to NI 58-101 and NP 58-201.

Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of the Company, is currently comprised of five (5) directors, of which three (3) are independent directors. Generally, an "independent director" is one who has no direct or indirect material relationship with the Company. A material relationship is a relationship, which would, in the view of the Board be reasonably expected to interfere with the exercise of a director's independent judgment. The definition of the independence in NI 58-101 is the same as the definition set forth in Section 1.4 of NI 52-110. Following the Meeting, the anticipation is that the composition of the Board will remain unchanged and the independent directors will continue to be Victor Redekop, Gerald M. Gilbert and Cuneyt S. Tirmandi. Chris Reimchen is not independent, by virtue of being or having been in the past three years members of the Company's management.

Directorships

Certain of the Company's directors or nominee directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows.

Name	Reporting issuers (or equivalent in a foreign jurisdiction)
Victor Redekop	BNK Petroleum Inc.

Orientation and Continuing Education

Given the current size of the Company and the Board, the Company provides only a limited orientation and education program for new directors. This process includes discussions with management and the Board, with respect to the business and operations of the Company. Each new Board member is also entitled to review all previous minutes of the Board and the shareholders.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

All members of the Board are encouraged to identify prospective additions to the Board. Any recommendations would be approved by the entire Board and elected annually by the shareholders of the Company.

The Board must have a sufficient number of directors to carry out it its duties efficiently, presenting a diversity of views and experience. The Board as a whole reviews the contributions of the directors and considers whether the current size of the Board promotes effectiveness and efficiency, and currently believes that the appropriate size of the Board is five members.

Compensation

For a detailed discussion of the Compensation of the directors and executive officers of the Company, please see the discussion under "*Statement of Executive Compensation - Compensation Discussion and Analysis*" and *"Statement of Executive Compensation - Compensation of Directors"* respectively.

Assessment of Directors, the Board and Board Committees

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its Audit Committee and its individual directors are performing effectively.

Other Board Committees

The Board has standing committees for compensation and corporate governance.

AUDIT COMMITTEE

Audit Committee's Charter

The text of the Audit Committee Charter is as disclosed in Schedule "A" attached hereto.

Composition of the Audit Committee

The members of the Audit Committee are comprised of the following directors of the Company:

Cuneyt S. Tirmandi, chairperson of the Audit Committee, is a self-employed Chartered Professional Accountant and Chartered Business Valuator. Prior to March 31, 2010, Mr. Tirmandi was the Chief Financial Officer of BNK Petroleum Inc. and from December 2005 to February 2008, Chief Financial Officer of Bankers Petroleum Ltd. Mr. Tirmandi is independent and financially literate as defined by such terms in NI 52-110.

Victor Redekop holds a Chartered Professional Accountant designation, is independent and financially literate as defined by such terms in NI 52-110.

Gerald M. Gilbert is currently an independent consultant in the oil and gas industry. From February 2010, Mr. Gilbert was Sr. Vice-President international operations of Geokinetics, Inc. and prior to that, was Vice-President Eastern Hemisphere Onshore operations of Petroleum Geo-Services from September 2008. Prior to 2008, Mr. Gilbert was General Manager, Exploration and Production of InterOil Corporation. Mr. Gilbert completed a management program at Rice University in 1987 and a Master of Science in Electrical Engineering at Southern Methodist University in 1973. He is independent and financially literate as defined by such terms in NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, the exemption in Subsection 6.1.1 of NI 51-101, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

Described below are the approximate aggregate service fees incurred by the Company to the external auditors of the Company in each of last three financial years.

Financial Period Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2016	$12,750	$2,100	$Nil	$Nil
December 31, 2015	$12,750	$6,300	$Nil	$Nil

Exemption

The Company is relying on the exemption provided by Part 6.1 of NI 52-110 for Venture Issuers which allows for an exemption from Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 and allows for the short form of disclosure of audit committee procedures set out in Form 52-110F2 and disclosed in this Management Information Circular.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the management of the Company, the only matters to be placed before the Meeting are those matters set out in the accompanying Notice of Annual General and Special Meeting of Shareholders. Unless otherwise directed, it is the intention of the management of the Company to vote the proxies held by the management of the Company in favour of all matters to be presented to the shareholders at the Meeting. Particulars of certain of these matters are set forth below.

1. Receipt of the Financial Statements and Auditor's Report

The financial statements of the Company for the year ended December 31, 2016 and the auditor's report thereon will be placed before the Shareholders at the Meeting, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

2. Fixing the Number of Directors

The Board presently consists of five (5) directors, each of whose term expires at the Meeting. At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at five (5).

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE ORDINARY RESOLUTION FIXING THE NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING AT FIVE. The ordinary resolution fixing the number of directors to be elected at the Meeting at five must be passed by a majority of the votes cast by the Shareholders who vote at the Meeting either in person or by proxy.

3. Election of Directors

The management of the Company proposes to nominate the persons named in the following table for election as directors of the Company. Each person who is elected as a director will hold office until the next annual meeting of shareholders or until their successor is duly elected or appointed, or the person becomes disqualified to act as a director, or the person resigns. Each director nominee will be elected on an individual basis rather than as a member of a slate. Management does not contemplate that any of such nominees will be unable to serve as directors.

The names, province and country of residence of the proposed nominees, the number of voting securities of the Company beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held by each in the Company, the period served as director and the principal occupation of each for the past 5 years are as follows:

Name, Province and Country of Residence and Offices Held	Number of Common Shares Beneficially Owned	Offices Held and Time as a Director of Officer	Principal Occupation For Past Five Years
Charles "Bill" Baker Alberta Canada	8,400,020	Director since March 30, 2006	Self-employed businessperson.
Chris Reimchen Alberta, Canada	600,000	Chief Financial Officer and Directors since April 19, 2000	Involved in the oilfield drilling business internationally with Simmons Edeco Inc. as Chief Financial Officer. Holds the designation of Chartered Professional Accountant.

Victor Redekop[1,2,3] Alberta, Canada	25,703,902	Director since April 19, 2000	Involved in the oilfield drilling business internationally since 1974 with Simmons Edeco Inc., currently as Director. Mr. Redekop holds the designation of Chartered Professional Accountant.
Gerald M. Gilbert[1,2,3] Texas, United States	Nil	Director since June 25, 2010	Currently an independent consultant in the oil and gas industry. Mr. Gilbert was formerly Sr. Vice-President international operations of Geokinetics, Inc. since February 2010 and prior to that, as Vice-President Eastern Hemisphere Onshore operations of Petroleum Geo-Services.
Cuneyt S. Tirmandi[1,2,3] Alberta, Canada	500,000	Director since July 13, 2010	Self-employed Chartered Professional Accountant and Chartered Business Valuator. Prior to March 31, 2010, Chief Financial Officer of BNK Petroleum Inc.

Notes:

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

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of 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, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

Bankruptcies

To the knowledge of the Corporation none of those persons who are proposed directors of the Corporation is, or has been within the past 10 years, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets or has, within the past 10 years, became 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 his assets.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF EACH OF THE NOMINEES SET FORTH IN THE ABOVE TABLE TO THE BOARD UNLESS OTHERWISE DIRECTED. In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by a majority of the votes cast by the Shareholders who vote at the Meeting either in person or by proxy.

4. Appointment of Auditor

At the Meeting, Shareholders will be asked to consider, and if thought appropriate, pass a resolution to appoint Czechowsky, Graham & Hanevelt Chartered Accountants, ("**CGH**") as auditor for the Company, to hold office until the next annual meeting of shareholders or until they are removed or they resign from office, at a remuneration to be determined by the directors of the Company. Czechowsky, Graham & Hanevelt, Chartered Accountants was first appointed as the Company's auditors on July 24, 2007.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE REAPPOINTMENT OF CZECHOWSKY, GRAHAM & HANEVELT CHARTERED ACCOUNTANTS AS AUDITORS OF THE COMPANY AT A REMUNERATION TO BE DETERMINED BY THE BOARD UNLESS OTHERWISE DIRECTED. In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by a majority of the votes cast by the Shareholders who vote at the Meeting either in person or by proxy.

5. Sale Transaction

At the Meeting, Shareholders will be asked to approve the sale (the "**Transaction**") of the Company's principal operating assets (the "**Transferred Assets**") to RKSmith Energy Corp. (the "**Purchaser**"). The Transaction is being proposed as part of a wind down of the Company. The Transaction, if completed will result in the Company owning no operating assets and the Company will cease to carry on an active business. Management believes that the Transaction is in the best interest of the Company as it will allow to the Company to pay its outstanding obligations. The Transaction is subject to the approval of Shareholders in accordance with requirements set forth in the *Business Corporations Act* (Alberta) (the "**ABCA**").

Summary of Principal Terms of the Asset Purchase Agreement

Pursuant to a Purchase and Sale Agreement dated June 29, 2017 (the "**Agreement**") between the Company and Purchaser, the Company agreed to sell, and Purchaser agreed to purchase the Transferred Assets on the terms and subject to the conditions set forth in the Agreement. Under the terms of the Agreement, as consideration for the acquisition of the Transferred Assets, Purchaser will pay the Company $35,000. If the Transaction is approved, the Company intends to use the proceeds from the Transaction for the settlement of obligations and after the payment of its liabilities the Company anticipates that there will be no residual for a distribution to Shareholders. After giving effect to the Transaction, the Corporation plans to delist from the Exchange and wind up operations.

Completion of the Transaction is subject to the satisfaction of certain conditions, including the receipt of the requisite regulatory and Shareholder approvals.

The Agreement may be amended at any time prior to completion of the Transaction, by written agreement of the Company and Purchaser and without further notice to or authorization by the

Shareholders.

The foregoing is a summary of the principal terms of the Agreement and is qualified, in its entirety, by reference to the full text of the Agreement. A copy of the Agreement is attached hereto as Schedule "B".

Recommendation of the Board

Effective June 29, 2017, the Board passed a resolution to approve the Transaction. The Board determined that it is in the best interests of the Company to proceed with the Transaction. **The Board unanimously recommends that Shareholders vote in favour of the resolution to approve the Transaction.**

Shareholder Approval

The Transferred Assets comprise all or substantially all of the Company's property. Pursuant to subsection 190(1) of the ABCA, the Company's governing statute, a sale of all or substantially all of a corporation's property, other than in the ordinary course of the corporation's business, requires the approval of its shareholders. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, pass a special resolution (the "**Transaction Resolution**") to approve the Transaction.

To be effective, the Transaction Resolution must be passed by not less than 66⅔% of the votes cast thereon by Shareholders at the Meeting either in person or by proxy. The text of the resolution is set out below.

BE IT IS RESOLVED THAT:

1. The sale of all or substantially all of the assets of the Company (the "Transaction") to RKSmith Energy Corp. ("Purchaser"), as contemplated in the Purchase and Sale Agreement dated June 29, 2017 between the Company and Purchaser (the "Agreement"), is authorized and approved; and

2. Notwithstanding that this resolution has been passed by the shareholders of the Company, the board of directors of the Company is authorized, without further notice to or approval of the Shareholders: (a) to amend the Agreement to the extent permitted by its terms; and/or (b) to terminate the Agreement and to not proceed with the Transaction, to the extent permitted by the Agreement.

Dissent Rights to the Transaction

Shareholders are entitled to dissent in respect of the Transaction in accordance with section 191 of the ABCA ("**Section 191**"). Strict compliance with the provisions of Section 191 is required in order to exercise the right to dissent. Provided the Transaction becomes effective, each dissenting Shareholder will be entitled to be paid the fair value of his, her or its Shares in respect of which such Shareholder dissents in accordance with Section 191 of the ABCA. **Persons who are beneficial owners of Shares registered in the name of a broker, custodian, nominee or other Intermediary who wish to dissent should be aware that only the registered holders of such Shares are entitled to dissent.**

Accordingly, a beneficial owner of Shares desiring to exercise his, her or its right to dissent must make arrangements for the Shares beneficially owned by such person to be registered in his, her or its name, or, alternatively, make arrangements for the registered holder of his, her or its Shares to dissent on his, her or its behalf. **See Schedule "C" to this Information Circular for the full text of Section 191.**

In order to be effective, a written notice of objection to the Transaction Resolution must be received by the Chief Executive Officer of the Corporation, at 500, 141 Eighth Street S.W., Calgary, Alberta, prior to the commencement of the Meeting, or at the Meeting to be held at the foregoing address. The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of his Shares. **The complete dissent provisions of the ABCA are set forth in Schedule "C" hereto. The ABCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each shareholder who might desire to exercise the dissenters' rights should carefully consider and comply with the provisions of the section and consult such shareholder's legal advisor.**

The Board may elect not to proceed with the transactions contemplated in the Transaction Resolution if any notices of dissent are received.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE TRANSACTION RESOLUTION UNLESS OTHERWISE DIRECTED. In order to be effective, the special resolution in respect of the transaction must be passed by not less than 66⅔% of the votes cast thereon by Shareholders at the Meeting either in person or by proxy.

6. Winding Up Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to approve, with or without variation, a special resolution authorizing the dissolution of the Company (the "**Winding Up Resolution**").

The Winding Up Resolution will be conditional upon the Company completing the Transaction. To be effective, the Winding Up Resolution must be passed by not less than 66⅔% of the votes cast thereon by Shareholders at the Meeting either in person or by proxy. The text of the resolution is set out below.

BE IT IS RESOLVED THAT:

1. Upon the Company completing the Transaction (as such term is defined in the Management Information Circular of the Company dated June 30, 2017), the dissolution of the Company pursuant to Section 211(3) of the *Business Corporations Act* (Alberta) (the "**Wind Up**") is authorized and approved and the directors of the Company are authorized to cause the Company to distribute all property and discharge all liabilities.

2. Notwithstanding that this resolution has been passed by the shareholders of the Company, the board of directors of the Company, in their sole discretion, is authorized, without further notice to or approval of the Shareholders to not proceed with the Wind Up.

3. Any director or officer of the Company is hereby authorized, for, on behalf of, and in the name of the Company, under the corporate seal of the Company or otherwise, to execute, deliver and file all other documents and instruments and to take all such other actions as in the opinion of such director or officer may be necessary, advisable or useful to implement this special resolution and the matters authorized and approved hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE IN FAVOUR OF THE WINDING UP RESOLUTION UNLESS OTHERWISE DIRECTED. In order to be effective, the special resolution in respect of the transaction must be passed by not less than 66⅔% of the votes cast thereon by Shareholders at the Meeting either in person or by proxy.

Information concerning the Winding Up Resolution

Canadian Federal Income Tax Considerations

(In this summary, any term in quotation marks that is not otherwise defined means that term as defined in the *Income Tax Act* (Canada) (the "**Tax Act**")).

The following summarizes the principal Canadian federal income tax consequences of the Wind Up generally applicable to Shareholders each of whom, at all relevant times for the purposes of the Tax Act, (i) is an individual or corporation, (ii) holds all Common Shares solely as capital property, and (iii) deals at arm's length with and is not affiliated with the Company (each such Shareholder, in this summary, a "**Holder**").

Generally, a Holder's Common Shares will be capital property of the Holder unless the Holder holds such Common Shares in the course of carrying on a business or the Holder acquired such Common Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Canadian resident Holders whose Common Shares might not otherwise be considered capital property may be entitled, in certain circumstances, to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Common Shares and all other "Canadian securities" owned by such Holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. Holders should consult with their own tax advisors for advice as to whether this election is available or advisable in their own particular circumstances.

This summary is not applicable to a Holder: (a) that is a "financial institution" (for the purposes of the "mark to market" rules) or a "specified financial institution"; (b) an interest in which is, or whose Common Shares are, a "tax shelter investment" within the meaning of the Tax Act; (c) that makes or has made a functional currency reporting election for the purposes of the Tax Act; (d) that acquired Common Shares pursuant to the exercise of an employee stock option or other equity based employment compensation arrangement, (e) that is a partnership; or (f) that has entered into or will enter into a "synthetic disposition agreement", or a "derivative forward agreement", as defined in the Tax Act, in respect of their Common Shares. Such Holders should consult their own tax advisors.

This summary assumes that, following the Transaction and the commencement of the Wind Up, the Company will have insufficient assets to pay out its liabilities, and accordingly will make no distributions to Shareholders prior to, or in the course of, the Wind Up.

This summary is based on the facts set out in this Information Circular, the assumptions herein, the provisions of the Tax Act and the regulations thereunder the ("**Tax Regulations**") in force as of the date hereof, all specific proposals to amend the Tax Act and the Tax Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), and Counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**"). This summary assumes that all Proposed Amendments will be enacted in the form proposed. There can be no assurance that the Proposed Amendments will be enacted in their current form or at all, or that the CRA will not change its administrative policies or assessing practices. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, administrative or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may be different from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not exhaustive of all Canadian federal income tax consequences applicable to Holders. It is not and is not intended to be, and is not to be construed as, legal or tax advice to any particular Holder. Each Holder should therefore consult the Holder's own tax advisers regarding the legal and tax consequences of the Wind Up applicable to the Holder's particular circumstances.

General

Cancellation of Common Shares on Conclusion of Wind Up

Each Holder will realize a capital loss on cancellation of the Holder's Common Shares on the final dissolution of the Company equal to the positive amount, if any, of the "adjusted cost base" of the Holder's Common Shares determined immediately before that time. Any capital loss so arising will be deductible as described below (see "*Residents of Canada – Taxation of Capital Gains and Losses*" or "*Non-residents of Canada – Taxation of Capital Gains and Losses*" as applicable).

Residents of Canada

The following portion of the summary is generally applicable to a Holder who, at all relevant times and for purposes of the Tax Act and any applicable income tax treaty, is or is deemed to be a resident of Canada and is not exempt from tax under Part I of the Tax Act (a "**Resident Holder**").

Taxation of Capital Gains and Losses

Generally, one-half of any capital gain realized or deemed realized by a Holder in a taxation year will be included in the Holder's income for the year as a "taxable capital gain". Subject to specific rules in the Tax Act, one-half of any capital loss realized or deemed realized by a Holder in a taxation year is an "allowable capital loss" that must be deducted from any taxable capital gain realized by the Holder in the year of disposition. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided for in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such share (or on a share for which the share has been substituted) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly, through a partnership or trust. Holders to whom these rules may apply should consult their own tax advisors.

Non-residents of Canada

The following portion of the summary is generally applicable to a Holder who, at all relevant times and for the purposes of the Tax Act, is not, and is not deemed to be, a resident of Canada and does not use or hold, and is not deemed to use or hold, Common Shares in a business carried on in Canada (a "**Non Resident Holder**"). Special rules, which are not discussed in this summary, may apply to certain Holders that are insurers carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank".

Taxation of Capital Gains and Losses

In the event that Common Shares constitute "taxable Canadian property" and are not "treaty protected property" to a particular Non Resident Holder, the tax consequences as described above under "*Residents of Canada – Taxation of Capital Gains and Losses*" will generally apply. A Non Resident Holder who disposes of taxable Canadian property may be required to file a Canadian income tax return for the year in which the disposition occurs, regardless of whether the Non Resident Holder is liable for Canadian tax on any gain realized as a result.

Generally, Common Shares will not be taxable Canadian property to a Non Resident Holder at the time of Wind Up unless at any time during the 60 month period immediately preceding the Wind Up more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource property", "timber resource property", or any option in respect of, or interest in, such properties, whether or not the property or properties exist. Notwithstanding the foregoing, in certain limited circumstances set out in the Tax Act, Common Shares could be deemed to be taxable Canadian property to a Non Resident Holder. Non Resident Holders should consult their own advisors for advice as to whether their Common Shares constitute taxable Canadian property, having regard to their particular circumstances.

7. Other Matters

The management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice of Annual General and Special Meeting of Shareholders and in this Information Circular. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on SEDAR at www.sedar.com. Shareholders may contact the Company at (403) 541-5317 to request copies of the Company's financial statements and MD&A. Financial information is provided in the Company's financial statements and MD&A for the Company's most recently completed financial year.

SCHEDULE "A"

BUTTE ENERGY INC.

AUDIT COMMITTEE CHARTER

I. Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, all of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee. For greater certainty, the members of the audit committee may not serve as consultants or service providers to the Company.

All members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

II. Meetings

The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

III. Responsibilities and Duties

To fulfill its Responsibilities and duties, the Committee shall:

Documents/Reports Review

1. Review and update this Charter annually.

2. Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

1. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

2. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

4. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

5. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

7. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

8. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

9. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

   i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

   ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

   iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

1. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

2. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

3. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

9. Review certification process.

10. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

11. Become familiar with International Financial Reporting Standards (IFRS).

Other

12. Review any related-party transactions.

V. Annual Work Plan

	Spring	**Fall**
Review audit plan and year-end statements template	O	O
Review accounting systems and procedures	O	O
Review auditors' letter of recommendation	O	O
Review financial and accounting human resources	O	O
Review Committee's charter and membership	O	O
Review and recommend year-end financial statements	O	O
Review MD&A	O	O

Review external auditors' work, independence and fees	O	O
Recommend auditors for the ensuing year	O	O
Review and reassess the adequacy of the Code of Ethics for Financial Reporting Officers	O	O
Review any proposed prospectus filings or similar filings	O	O

SCHEDULE “B”

PURCHASE AND SALE AGREEMENT

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made the 29 day of June, 2017.

BETWEEN:

BUTTE ENERGY INC.
a body corporate having an office and carrying on business
in the City of Calgary, in the Province of Alberta
(hereinafter called the "**Vendor**")

OF THE FIRST PART

\- and -

RKSMITH ENERGY CORP.
a body corporate having an office and carrying on business
in the City of Calgary, in the Province of Alberta
(hereinafter called the "**Purchaser**")

OF THE SECOND PART

WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, mutual covenants, agreements and warranties hereinafter set forth and contained, the parties hereto respectively covenant and agree as follows:

1. **Definitions** - In this agreement, including the recitals, this Clause and the schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

   (a) "**Assets**" means all of the interest of the Vendor in and to the Petroleum and Natural Gas Rights, the Miscellaneous Interests, the Tangibles and those other assets of the Vendor all as described in Schedule "A".

   (b) "**Closing**" means the transfer of the Assets to the Purchaser, the payment by the Purchaser to the Vendor of the Purchase Price and the delivery of all documents required hereby

   (c) "**Closing Date**" means the date determined in accordance with Clause 7 hereof, or such other date as shall be mutually acceptable between the parties hereto.

(d) "**Effective Date**" means 12:01 a.m., Calgary time, on the date of execution of this Agreement.

(e) "**Dollar**" and "$" mean a dollar of lawful money of Canada.

(f) "**Environmental Liabilities**" means any and all environmental damage, contamination or other environmental problem pertaining to the Assets, whether or not caused by breach of applicable governmental regulations, including, without limitation:

   (i) all matters related to surface, underground, air, groundwater or surface water contamination;

   (ii) abandonment or plugging of any Wells;

   (iii) restorations and reclamations relating to the Assets; and

   (iv) the removal of or failure to remove any foundations, structures or equipment relating to the Lands.

(g) "**Lands**" means the lands described in Schedule "A" and, except as otherwise expressly noted in Schedule "A", including all Petroleum Substances within, upon or under those lands, together with the right to explore for and recover them, to the extent those rights are granted by the Leases.

(h) "**Leases**" means collectively the leases, reservations, permits, licenses or other documents of title set forth and described in Schedule "A" by virtue of which the holder thereof is entitled to drill for, win, own and/or remove Petroleum Substances within, upon or under all or any part of the Lands.

(i) "**Miscellaneous Interests**" means all of the right, title and interest of the Vendor in all property, assets and rights, other than the Petroleum and Natural Gas Rights and the Tangibles, relating to the Petroleum and Natural Gas Rights or the Tangibles, including without limitation:

   (i) all Title and Operating Documents relating directly to the Petroleum and Natural Gas Rights and the Tangibles and any rights in relation thereto;

   (ii) all production, engineering and other information relating directly to the Petroleum and Natural Gas Rights, the Lands, and the Tangibles which is prepared for all the working interest owners, excluding any thereof which are subject to confidentiality restrictions;

   (iii) all subsisting rights to enter upon, use and occupy the surface of any of the Lands, any lands with which the same have been pooled, and any lands upon which the Tangibles are located;

(iv) ali intangibles, including but not limited to seismic data and other information to prospect lands;

(v) all subsisting rights to carry out operations on the Lands, any lands with which the same have been pooled and any lands upon which the Tangibles are located, including well licenses, rights of way, crossing rights and easements;

(vi) all rights of the Vendor under the existing and currently being negotiated farm-in and farm-out agreements,

(vii) all Wells, including well-bores and all casing therein.

(j) "**Permitted Encumbrances**" means, as of a particular time:

(i) liens for taxes, assessments and governmental charges which are not due at such time or the validity of which is being diligently contested in good faith by or on behalf of the Vendor;

(ii) easements, rights of way, servitudes and other similar rights in land (including, without limitation, rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby in the operation of the business of the Vendor;

(iii) the right reserved to or vested in any municipality or government or other public authority by the terms of any lease, license, franchise, grant or permit or by any statutory provision, to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(iv) the right reserved to or vested in any governmental authority to levy taxes on minerals or the income therefrom and governmental requirements and limitations of general application as to production rates on the operations of any property;

(v) the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the Lands or interests therein and statutory exceptions to title;

(vi) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances listed on Schedule "A" hereto; and

(vii) the terms and conditions of the Leases and the Title and Operating Documents, except to the extent that they create security interests, royalties or similar burdens or any interest therein, which would not be

Permitted Encumbrances under the preceding paragraphs of this definition;

(k) "**Petroleum and Natural Gas Rights**" means all of the Vendors interest in the Lands and Leases, including:

(i) the working interests, royalty interests and other interests of the Vendor set forth in Schedule "A" hereto, subject to all royalty burdens, liens, adverse claims, penalties, reductions in interests, Leases and other encumbrances listed in Schedule "A" hereto; and

(ii) the right, title and interest of the Vendor in the Petroleum Substances produced from the Lands or lands pooled therewith which are in tanks or storage on the Effective Date.

(l) "**Petroleum Substances**" means petroleum, natural gas and all related hydrocarbons (including, without limitation, liquid hydrocarbons) and all other substances, whether liquid, gaseous or solid and whether hydrocarbon or not (except coal but including sulphur) produced in association with such petroleum, natural gas or related hydrocarbons insofar as the rights to the same are granted by the Leases.

(m) "**Purchase Price**" has the meaning ascribed thereto in Clause 3.

(n) "**Tangibles**" means:

(i) all of the Vendor's interest in equipment located on the wellsite of the Wells and used in producing Petroleum Substances from the Wells and all associated equipment, facilities and other tangibles which are appurtenant thereto or which are situated in, on or under the Lands and are used in connection with the gathering, treating, processing, compressing or storing of such Petroleum Substances, including, without limitation, wellheads, production tubing, pumps, pumpjacks, generators, separators, treaters, dehydrators;

(ii) compressors, storage tanks, batteries, flowlines and meters but excluding the Wells, Pipelines, Facilities and Appurtences; and

(iii) all of the Vendor's interest in the Wells, Pipelines, Facilities and Appurtences.

(o) "**Title and Operating Documents**" means:

(i) the documents, instruments and agreements pursuant to which the title of the Vendor to the Assets is derived, including leases, licenses, sale agreements and farm-in agreements, including without limitation the Farm-in Agreement; and

(ii) agreements entered into in the ordinary course of the oil and gas business pertaining to the ownership or operation of the Assets or pertaining to the Petroleum Substances produced from the Lands or lands pooled therewith, including, without limitation, farmout agreements, operating agreements, pooling agreements, royalty agreements, agreements for the construction, ownership and operation of the Plant and Pipeline Facilities.

2. **Interpretation**

(a) The following schedules are attached to and form part of this agreement:

- Schedule "A" – Assets
- Schedule "B" – General Conveyance

(b) The headings of the clauses of this agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation or construction thereof.

(c) Whenever the singular or masculine or neuter is used in this agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and vice versa, as the context requires.

(d) Except as otherwise provided for herein, "this agreement", "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this agreement and not to any particular section, subsection, paragraph, subparagraph, clause, subclause or other portion hereof.

(e) If any term or condition, whether express or implied, of a schedule hereto conflicts with or is at variance with any term or condition of the main body of this agreement, the main body of this agreement shall prevail.

(f) "Including" or "including without limitation" when used before a specific item or list of items in relation to a previous general description means "including, without limiting the generality of the foregoing".

(g) Where in this agreement a representation and warranty is made on the basis of the knowledge or awareness of a party, such knowledge or awareness consists only of the actual knowledge or awareness, as the case may be, of the officers, employees or the consultants of such party, and does not include knowledge and awareness of any other person or persons.

3. **Purchase and Sale and Conveyance**

(a) The Vendor, in consideration of the payment of thirty five thousand dollars ($35,000.00) (the "**Purchase Price**"), hereby sells, assigns, transfers, and conveys to the Purchaser all of the Vendor's right, title, estate and interest in and to the Assets, subject only to the respective terms and conditions of this agreement;

(b) The Purchase Price shall be allocated among the Assets as follows:

(i)	Petroleum and Natural Gas Rights		$35,000.00
(ii)	Tangibles		$0.00
		Sub Total	$35,000.00
		GST on Tangibles	0.00
		Total	$35,000.00

(c) The Vendor shall be paid refundable deposit in the amount of the $35,000.00 on execution of this agreement (the "Deposit"). The Deposit will be applied to the Purchase Price at Closing. If the Vendor has not met the conditions set out in Article 6(a) on or before August 10, 2017 (the "Condition Date") and such conditions have not been waived by the Purchaser on or before the Condition Date, the Vendor shall return the Deposit to the Purchaser within three (3) business days of the Condition Date.

4. **GST**

(a) The Purchase Price does not include GST. The Purchaser shall prepare and execute GST Form 44 and any other necessary documents for the parties to elect jointly under section 167 of the Excise Tax Act (Canada) regarding the acquisition of a business or a part of a business in order that GST will not apply to the transactions hereunder. The Vendor shall execute such documents at Closing and it shall be the Purchaser's responsibility to effect delivery of same to the relevant government department forthwith following Closing. Each party represents that it holds a valid GST registration account number at the date of Closing and that its registration number for GST purposes is:

the Vendor: 801547621RT0001
the Purchaser: ________________

(b) The Purchaser shall be solely liable for any and all sales and similar taxes imposed by provincial or federal legislation (including GST) in respect of the purchase of the Assets pursuant hereto. If the Vendor, as agent for the Crown, is required to collect such taxes, the Purchaser shall pay the aggregate amount of such taxes to the Vendor at Closing. The Vendor shall remit such amount to the appropriate authorities in accordance with applicable legislation.

(c) After Closing, the Purchaser shall be responsible for, and shall indemnify and save the Vendor harmless in respect of any amounts of GST and sales and similar taxes (including interest and penalties) in respect of the purchase and sale of the Assets pursuant hereto.

5. **Purchaser's Examination**

The Purchaser acknowledges that the Vendor has made available to the Purchaser and its authorized representatives all books, accounts and other financial data of the Vendor relating to the Assets and the Purchaser has made its own estimate and appraisal of the extent and value of the reserves of the Petroleum Substances attributable to the Lands and lands pooled therewith.

6. **Closing**

(a) Prior to Closing the following conditions must be met:

(i) The Vendor shall have obtained all required approval or consent to the transactions contemplated herein including approval of the transaction by the TSX Venture Exchange Inc.;

(ii) The Vendor shall have obtained any necessary approval or consent to the transactions contemplated herein from any third party or regulatory authority;

(iii) Receipt of directors and, if necessary, shareholder approval by the Purchaser and the Vendor; and

(iv) The Vendor shall confirm the Richard Boswell 2% gross overriding with a copy of the amendment.

(b) Upon satisfaction of the conditions in Clause 6(a) above, Closing shall occur within five (5) business days.

(c) The Vendor shall prepare, execute and deliver (at its sole expense) and the Purchaser shall execute such transfers, assignments and conveyances as may be reasonably required by the Purchaser or the Vendor to transfer the Assets, including the general conveyance attached hereto as Schedule "B", and all assignment and novation agreements.

7. **Vendor's Representations**

The Vendor hereby represents, warrants and covenants, to and with the Purchaser that:

(a) Standing: it is and at the date of this agreement shall continue to be a valid and subsisting corporation under its jurisdiction of incorporation and is registered to do business under the laws of the jurisdiction in which the Assets are located;

(b) Requisite Authority: it has all requisite corporate power and authority to enter into this agreement, and the Vendor has taken all necessary corporate action to consummate the transactions contemplated therein and to perform its obligations thereunder and under all other documents executed and delivered hereunder;

(c) No Conflicts: to the best of the Vendor's knowledge, the consummation of the transaction contemplated herein will not constitute or result in a material violation, breach or default by the Vendor under any provision of any agreement or instrument to which the Vendor is a party or by which it is bound or any judgement, decree, order or ruling applicable to the Vendor, except requirements of Title and Operating Documents to provide rights of first refusal or to obtain consents of third parties to the sale of the Assets pursuant hereto;

(d) Regulations: to the best of the Vendor's knowledge, the Vendor has obtained all regulatory approvals required to be obtained by it in order to effect consummation of the transactions contemplated in this agreement;

(e) Good Standing Under Agreements: To Vendor's knowledge, Vendor is not in material breach of any term or provision of the Title and Operating Documents;

(f) Title: the Vendor does not warrant title to the Assets except that the Vendor represents and warrants that:

   (i) It has not received notice from any third party claiming an interest in and to the Assets adverse to the interest of the Vendor and the Vendor has no reason to believe that any such claim may be made or any suite, action or other proceeding before any court or governmental authority that has been commenced or threatened against the Vendor or any third party which may adversely affect the Assets and has no reason to believe that any such suit, action or other proceeding may be commenced;

   (ii) Preferential Rights: to the best of the Vendor's knowledge, no person, firm or corporation has any preferential right of purchase to acquire any interest in any Assets by virtue of or arising from this agreement and the sale and transfer of the Assets to the Purchaser pursuant hereto, except as disclosed on Schedule "A"; and

   (iii) Execution and Enforceability of Documents: this agreement and all documents executed and delivered by the Vendor pursuant hereto shall be, duly executed and delivered by it, and all such documents do and will, constitute legal, valid and binding obligations of the Vendor enforceable against the Vendor in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defenses;

(g) Finder's Fee: the Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of the transaction contemplated herein for which the Purchaser shall have any obligation or liability;

(h) Canadian Resident: the Vendor is resident in Canada for the purposes of the *Income Tax Act* (Canada);

(i) Environmental: it has made available to the Purchaser all information within the Vendor's possession relevant to environmental damage or contamination or other environmental problems pertaining to the Assets and it has not knowingly withheld any such information from the Purchaser.

The Vendor makes no representations or warranties except as expressly set forth in this Clause and in particular, and without limiting the generality of the foregoing, the Vendor hereby expressly negates any representations or warranties, whether contained in any information memorandum or otherwise, made by it or its agents, servants or employees with respect to:

(a) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled therewith;

(b) the value of the Assets or the future cash therefrom; and

(c) the quality, condition, fitness or merchantability of the Tangibles or the environmental condition of the Assets.

The Purchaser acknowledges and confirms that it has not relied on advice from the Vendor with respect to the matters specifically enumerated in the immediately preceding paragraph in connection with the purchase of the Assets pursuant hereto.

8. **Purchaser's Representations**

The Purchaser hereby represents, warrants and covenants to and with the Vendor that:

(a) Standing: it is and at the date of this agreement shall continue to be a valid and subsisting corporation under its jurisdiction of Alberta and is authorized to carry out business in the Province of Alberta;

(b) Requisite Authority: it has taken all necessary action to enter into this agreement to consummate the transactions contemplated herein and to perform its obligations hereunder and under all other documents executed and delivered hereunder;

(c) No Conflicts: to the best of the Purchaser's knowledge, the consummation of the transaction contemplated herein will not constitute or result in a material violation, breach or default by the Purchaser under the provisions of any agreement or instrument to which the Purchaser is a party or by which it is bound or any judgement, law, decree, order or ruling applicable to it or of any law applicable to the Purchaser;

(d) Execution and Enforceability of Document: this agreement and all documents executed and delivered by the Purchaser pursuant to this agreement shall be, duly executed and delivered by it, and this agreement does, and such documents will, constitute legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences; and

(e) Finder's Fees: it has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the transaction contemplated herein for which the Vendor shall have any obligation or liability.

9. **No Merger**

There shall not be any merger of any covenant, representation or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

10. **Breach**

The representations and warranties of the parties hereto set forth in Clauses 7 and 8 shall be true or performed as the case may be at the date of this agreement, but no claim or action commenced in respect of a breach of any such representation or warranty shall be made unless the party making the claim or prosecuting the action has given written notice of such claim (including reasonable particulars of the misrepresentation or breach) to the other party hereto within the period of twelve (12) months from the date of this agreement.

11. **Liability Limitation**

Notwithstanding anything in this agreement to the contrary, the Purchaser shall have no remedy or cause of action against the Vendor for breach of representation, warranty or claim for indemnity for any circumstance, matter or thing actually known to the Purchaser or any employee, agent, consultant or representative thereof as at the date of this agreement and the liability of the Vendor to the Purchaser for the breach of the representations or warranties and claims for indemnity in this agreement and any document collateral hereto shall not, in the aggregate, exceed an amount equal to the Purchase Price.

12. **No Subrogation**

The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser and the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other person.

13. **Obligations**

The Purchaser shall be bound by, observe and perform as they become due all obligations and liabilities in respect of the Assets to the extent such obligations and liabilities are Permitted Encumbrances, including without limitation the payment of royalties under the Leases and the performance of obligations under the Title and Operating Documents.

14. **Indemnity**

(a) Except with respect to environmental liabilities as provided in Clause 15, the Vendor shall:

(i) be solely liable and responsible for any and all losses, costs, damages and expenses which the Purchaser may suffer, sustain, pay or incur; and

(ii) indemnify and save the Purchaser and its directors, officers, servants, agents, Partners and employees harmless from any and all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Purchaser, its directors, officers, servants, agents, Partners or employees or which they may sustain, pay or incur;

as a result of any matter or thing arising out of or pertaining to operations conducted by the Vendor with respect to the Assets occurring prior to the Effective Date and the Purchaser shall:

(iii) be solely liable and responsible for its proportionate share of any and all losses, costs, damages and expenses which the Vendor may suffer, sustain, pay or incur; and

(iv) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from any and all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or which they may sustain, pay or incur;

as a result of any matter or thing arising out of or pertaining to operations conducted by the Purchaser with respect to the Assets occurring subsequent to the Effective Date; excepting, in each case, to the extent that such liabilities are reimbursed by insurance, are caused by the party claiming indemnity or are adjusted pursuant to Clause 4. Such indemnities shall be deemed to apply to all assignments, transfers, conveyances, novations and other documents conveying the Assets to the Purchaser notwithstanding the actual terms thereof. Such indemnities shall extend to legal costs on a solicitor and client basis. Nothing contained in this Clause shall impose any liability on the Vendor for losses, costs, claims, damages, expenses or liabilities suffered, sustained, paid or incurred by the Purchaser as a result of a failure or a defect in title to any of the Assets or any matter or thing which is the subject of any representation, warranty or covenant in Clauses 8 and 9.

(b) The Purchaser shall not be entitled to any indemnification in respect of any matter or thing which is the subject of the indemnity in subclause 15(a) unless it shall have given written notice of its claim for indemnification (including reasonable particulars of the claim), within twelve (12) months of the date of this agreement.

In no event shall the liabilities and indemnities of the Vendor under this agreement, including, without limitation, any claims relating to its representations and warranties, exceed the Purchase Price.

(c) Notwithstanding anything to the contrary in this agreement, whether express or implied, any and all cost, expense or revenue revisions resulting from Crown royalty audits for the Assets relating to the period prior to the Effective Date (for which audit queries are outstanding at the date of this agreement or that occur after the date of this agreement) shall, if the Purchaser receives or makes a payment as a result of the audit, be adjusted by payments to the Purchaser by the Vendor or vice versa, as the case may be, promptly upon the revisions being ascertained.

15. **Liability for Environmental Liability**

Except as provided in the representations and warranties of the Vendor contained in this agreement, the Purchaser acknowledges that it is acquiring the specified portion of the Assets on an "as is" basis, as of the Effective Date. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as contained in this agreement. The Purchaser further agrees that it shall:

(a) be solely liable and responsible for any and all losses, costs, damages and expenses which the Vendor may suffer, sustain, pay or incur; and

(b) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from any and all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or which they may sustain, pay or incur;

as a result of any matter or thing arising (whether prior to or subsequent to the Effective Date) out of, resulting from, attributable to or connected with any Environmental Liabilities pertaining to the Assets, or any of them, including, without limitation, damage from or removal of hazardous or toxic substances, cleanup, well abandonment and reclamation. The Purchaser shall be solely responsible for all Environmental Liabilities respecting the Assets, the abandonment of all Wells and the reclamation of the Lands as between the Vendor and the Purchaser, and hereby releases the Vendor from any claims the Purchaser may have against the Vendor with respect to all such liabilities and responsibilities.

16. **Further Assurances**

Without further consideration, the parties hereto shall execute, acknowledge and deliver such other instruments and shall take such other action as may be necessary to carry out their respective obligations under this agreement.

17. **Public Announcements**

The Purchaser shall not release any information concerning this agreement and the transactions herein provided for without the prior written consent of the Vendor which will not be unreasonably withheld. Nothing contained herein shall prevent either party at any time from furnishing information to any governmental agency or regulatory authority or to the public if required by applicable law provided that the parties shall advise each other in advance of any public statement which they propose to make regarding the said transactions.

18. **Governing Law**

This agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Each party hereto accepts the jurisdiction of the Courts of the Province of Alberta and all courts of appeal therefrom.

19. **Time**

Time shall be of the essence in this agreement.

20. **Address**

The address for service of the parties shall be as follows:

Vendor: Butte Energy Inc.

500, 1414 - 8th Street SW
Calgary, Alberta T2R 1J6
Attention: Chairman
Email: vredekop@simmonsedeco.com

Purchaser: RKSmith Energy Corp.
RR1 Tees Alberta T0C 2N0
Attention: Ryan Smith
Email: ryanksmith@gmail.com

Either of the parties hereto may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the specified officer of a party hereto, or if no person is specified, upon any officer of a party hereto, by mailing the same by prepaid post in a properly addressed envelope addressed to the party hereto at its respective address for service hereunder, or by transmitting same by telecopy or other similar electronic method. Any notice served upon the officer or the specified officer of a party hereto, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fifth day, except Saturdays, Sundays and holidays, after the mailing thereof and any notice given by telecopy or similar electronic method shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (8:00 a.m. to 4:00 p.m.), and, otherwise, on the next following normal business day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lock-outs or other causes.

21. **Prior Agreements and Amendments**

This agreement shall supersede and replace any and all prior agreements between the parties hereto relating to the sale and purchase of the Assets and may be amended only by written instrument signed by the parties hereto.

22. **Entire Agreement**

This instrument states the entire agreement between the parties hereto.

23. **Enurement**

This agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, successors and permitted assigns.

24. **Counterpart**

This agreement may be executed in as many counterparts as are necessary and all executed counterparts together shall constitute one agreement.

25. **Assignment**

This agreement shall not be assignable.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first above written.

BUTTE ENERGY INC.

[redacted]

RKSMITH ENERGY CORP.

[redacted]

SCHEDULE "A"

Assets

Petroleum and Natural Gas Rights

1. Chigwell Land:

   (a) Wellbore, 4-35-42-26 W$M;

   (b) Section 35-42-26 W4.

Tangibles

1. Chigwell Wellsite:

   (a) 2 – GLM 200 bbl tanks, Serial # 13-017-1;

   (b) Zedi Siler Jack, model #SJHP-43G, Serial # SJHP43G0113;

   (c) Flare Stack Package; and

   (d) Flare Knock out Tank.

Permitted Encumbrances

1. 2% gross overriding royalty to Robert Boswell; and

2. 16%-19% freehold royalties relating to the Petroleum and Natural Gas Rights to Robert and Marsha Turney.

SCHEDULE "B"

General Conveyance

GENERAL CONVEYANCE

THIS GENERAL CONVEYANCE made August _____, 2017.

BETWEEN:

BUTTE ENERGY INC., a body corporate with an office in the City of Calgary in the Province of Alberta (hereinafter referred to as "**Vendor**")

- and -

RKSMITH ENERGY CORP., a body corporate with an office in the Town of Tees in the Province of Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS:

A. Pursuant to a offer to purchase agreement dated June ____, 2017 between Vendor and Purchaser as amended (the "**Purchase Agreement**"), Vendor did agree to sell to Purchaser and Purchaser agreed to purchase from the Vendor the assets as defined in the Purchase Agreement (the "**Assets**") for the purchase price of $35,000.00 plus applicable goods and services taxes (the "**Purchase Price**").

B. Capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in the Purchase Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto have agreed as follows::

1. **Conveyance**: Vendor, pursuant to and for the consideration provided for in the Purchase Agreement, the receipt and sufficiency of which is acknowledged by Vendor, hereby sells, assigns, transfers and conveys the Assets to Purchaser, and Purchaser purchases and accepts the Assets from Vendor, to have and to hold the same absolutely, subject to the terms of the Purchase Agreement, the Permitted Encumbrances and compliance with the terms of the Leases.

2. **Conditions**: The parties hereto agree that all conditions required by the Purchase Agreement to be satisfied at or prior to the Closing Date have been satisfied or, if not satisfied, have been waived by Vendor and Purchaser.

3. **Subordinate Document**: This general conveyance is executed and delivered by the parties hereto pursuant to and for the purposes of the Purchase Agreement, and the terms and conditions hereof shall be read in conjunction with the terms of the Purchase Agreement. The provisions of the Purchase Agreement shall prevail if there is a conflict between the provisions of the Purchase Agreement and this general conveyance.

4. **Binding Effect**: This general conveyance enures to the benefit of and is binding upon the Parties and their respective administrators, trustees, receivers, successors and assigns.

5. **Counterpart**: This general conveyance may be executed in counterparts and delivered by facsimile or other electronic means, and the executed counterparts shall together constitute one instrument and have the same force and effect as if all of the parties had executed the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this general conveyance.

BUTTE ENERGY INC.	**RFKSMITH ENERGY CORP.**
Per: ____________________________	Per: ____________________________

SCHEDULE “C”

ABCA SECTION 191

191. Shareholder's right to dissent

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

191(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

191(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

191(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

191(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the resolution is to be voted on, or

(b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

191(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

191(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

191(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

191(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

191(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

191(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

191(12) In connection with an application under subsection (6), the Court may give directions for
(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,
(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
(f) the service of documents, and
(g) the burden of proof on the parties.
191(13) On an application under subsection (6), the Court shall make an order
(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
(c) fixing the time within which the corporation must pay that amount to a shareholder, and
(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.
191(14) On
(a) the action approved by the resolution from which the shareholder dissents becoming effective,
(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
(c) the pronouncement of an order under subsection (13),
whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.
191(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).
191(16) Until one of the events mentioned in subsection (14) occurs,
(a) the shareholder may withdraw the shareholder's dissent, or
(b) the corporation may rescind the resolution,
and in either event proceedings under this section shall be discontinued.
191(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.
191(18) If subsection (20) applies, the corporation shall, within 10 days after
(a) the pronouncement of an order under subsection (13), or
(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,
notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.
191(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
191(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.
Amendment History
2005, c. 40, s. 7; 2009, c. 53, s. 30(2)
Currency
Alberta Current to Gazette Vol. 113:9 (May 15, 2017)