Pine Cliff Energy Ltd.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2013

March 20, 2014

TABLE OF CONTENTS

GLOSSARY OF ABBREVIATIONS

Oil and Gas Abbreviations

AECO	Alberta Energy Company	**Mbbl**	thousand barrels
Bbl	barrel	**Mcf**	thousand cubic feet
Bbl/d	barrels per day	**MMcf**	million cubic feet
BOE	barrel of oil equivalent	**MMbtu**	million British thermal units
BOE/d	barrels of oil equivalent per day	**NGLs**	natural gas liquids
		WTI	West Texas Intermediate
GJ	gigajoule	**M$**	thousands of dollars

Mineral and Other Abbreviations

deposit	a mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves or resources, until final legal and economic factors have been resolved
km	kilometres
m	metres
ore	a natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit or from which some part may be profitably separated

CONVERSION OF UNITS

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units)

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
MMbtu	GJ	1.054
Bbls	Cubic metres	0.159
Cubic metres	Bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281

Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

In this Annual Information Form where amounts are expressed on a BOE basis, natural gas volumes have been converted to oil equivalence at six Mcf per one Bbl. The term BOE may be misleading, particularly if used in isolation. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Unless otherwise specified, references to oil include oil and NGLs. NGLs include condensate, propane, butane and ethane.

Where any disclosure of reserves data is made in this Annual Information Form that does not reflect all of the reserves of Pine Cliff, as defined herein, the reader should note that the estimates of reserves and future net revenue for individual properties or groups of properties may not reflect the same confidence level as estimates of the reserves and future net revenue for all properties, due to the effects of aggregation.

PRESENTATION OF OIL AND GAS INFORMATION

All oil and gas information contained in this Annual Information Form has been prepared and presented in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"). The actual oil and gas reserves and future production will be greater than or less than the estimates provided herein. The estimated value of future net revenue from the production of the disclosed oil and gas reserves does not represent the fair market value of these reserves. There is no assurance that the forecast prices and costs or other assumptions made in connection with the reserves disclosed herein will be attained and variances could be material.

DEFINITIONS AND NOTES TO RESERVE DATA TABLES

Certain terms used herein are defined in NI 51-101 or the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") and, unless the context otherwise requires, shall have the same meanings in this Annual Information Form as in NI 51-101 or the COGE Handbook.

The following definitions form the basis of the classification of reserves and values presented in the Pine Cliff Reserve Report, as defined herein. They have been jointly prepared by the Canadian Institute of Mining, Metallurgy and Petroleum and the Society of Petroleum Evaluation Engineers and incorporated into the COGE Handbook and specified by NI 51-101. Reserve data tables may not add due to rounding.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recovered from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology;
- specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed; and
- a remaining reserve life of 50 years.

Reserves are classified according to the degree of certainty associated with the estimates.

1. Proved Reserves

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

2. Probable Reserves

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

3. Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. Possible reserves have not been considered in this Annual Information Form.

Other criteria that must also be met for categorization of reserves are provided in Section 5.5 of the COGE Handbook.

Each of the reserves categories (proved, probable and possible) may be divided into developed or undeveloped categories.

4. Developed Reserves

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

5. Developed Producing Reserves

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

6. Developed Non-Producing Reserves

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

7. Undeveloped Reserves

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable or possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation is typically based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

8. Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Sections 1, 2 and 3 above are applicable to individual reserves entities, which refers to the lowest level at which reserves estimates are made, and to reported reserves, which refers to the highest level sum of individual entity estimates for which reserve estimates are made.

Reported total reserves estimated by deterministic or probabilistic methods, whether comprised of a single reserves entity or an aggregate estimate for multiple entities, should target the following levels of certainty under a specific set of economic conditions:

(a) There is a 90% probability that at least the estimated proved reserves will be recovered.
(b) There is a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered.
(c) There is a 10% probability that at least the sum of the estimated proved reserves plus probable reserves plus possible reserves will be recovered.

A quantitative measure of the probability associated with a reserves estimate is generated only when a probabilistic estimate is conducted. The majority of reserves estimates will be performed using deterministic methods that do not provide a quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the COGE Handbook. Whether deterministic or probabilistic methods are used, evaluators are expressing their professional judgement as to what are reasonable estimates.

CURRENCY

In this Annual Information Form, unless otherwise noted, all dollar amounts are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements. These statements relate to future events or Pine Cliff's future performance. All statements other than statements of historical fact may be forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In addition, this Annual Information Form may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to:

- the quantity and quality of the oil and natural gas, and mineral reserves;
- the performance and characteristics of Pine Cliff's oil and natural gas properties;
- the extent and economic viability of developing ore bodies;
- future development and exploration activities and the timing thereof;
- future land expiries;
- results of various projects of Pine Cliff;
- timing of receipt of regulatory approvals;
- timing of development of undeveloped reserves;
- the tax horizon and taxability of Pine Cliff;
- supply and demand for oil, NGLs, natural gas and minerals (including precious metals);
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- the timing and amount of abandonment costs;
- the impact of Canadian federal and provincial governmental regulation on Pine Cliff relative to other natural resource issuers of similar size;
- realization of the anticipated benefits of acquisitions and dispositions;

- weighting of production between different commodities;
- projections of commodity and minerals prices and costs;
- expected levels of royalty rates, operating costs, general and administrative costs, costs of services and other costs and expenses;
- capital expenditure programs and the timing and method of financing thereof; and
- treatment under government regulation and taxation regimes.

Although Pine Cliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Pine Cliff cannot guarantee future results, levels of activity, performance, or achievements. Moreover, neither Pine Cliff nor any other person assumes responsibility for the outcome of the forward-looking statements. Many of the risks and other factors are beyond Pine Cliff's control, which could cause results to differ materially from those expressed in the forward-looking statements contained in this Annual Information Form. The risks and other factors include, but are not limited to:

- general economic conditions in Canada, the United States and globally, including reduced availability of debt and equity financing generally;
- industry conditions, including fluctuations in the price of oil, NGLs, natural gas and minerals (including precious metals);
- liabilities inherent in oil, natural gas and mineral operations;
- governmental regulation of the oil and gas, and mining industries, including environmental regulation;
- fluctuation in foreign exchange or interest rates;
- geological, technical, drilling and processing problems and other difficulties in producing reserves and deposits;
- unanticipated operating events which can reduce production or cause production to be shut in or delayed;
- failure to realize anticipated benefits of acquisitions;
- failure to obtain industry partner and other third party consents and approvals, when required;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisitions or reserves, deposits, undeveloped land and skilled personnel;
- competition for and inability to retain drilling rigs, mining equipment and other services;
- rights to surface access;
- the need to obtain required approvals from regulatory authorities; and
- the other factors considered under "Risk Factors" in this Annual Information Form.

These factors should not be considered as exhaustive. Statements relating to "reserves" or "resources" or "deposits" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources, reserves and deposits described can be profitably produced in the future. With respect to forward-looking statements contained in this Annual Information Form Pine Cliff has made assumptions regarding: future exchange rates; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; availability of skilled labour; current technology; cash flow; production rates; grades; timing and amount of capital expenditures; the prices and marketability of oil, NGLs, natural gas and minerals (including precious metals); royalty rates; effects of regulation by governmental agencies; future operating costs; and the Corporation's ability to obtain financing on acceptable terms. Readers are cautioned that the foregoing list of factors is not exhaustive.

The above summary of assumptions and risks related to forward-looking information has been provided in this Annual Information Form in order to provide readers with a more complete perspective on Pine Cliff's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. Pine Cliff is not under any duty to update or revise any of the forward-looking statements except as expressly required by applicable securities laws.

CORPORATE STRUCTURE

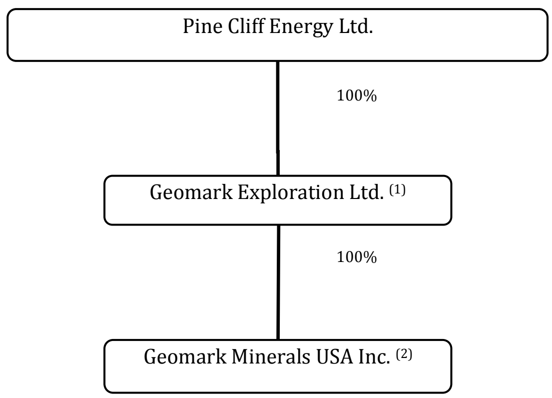
Name, Address and Incorporation

Pine Cliff Energy Ltd. (the "**Corporation**" or "**Pine Cliff**") was incorporated under the *Business Corporations Act* (Alberta) (the "**ABCA**") on November 10, 2004, by Certificate of Incorporation issued pursuant to the provisions of the ABCA, under the name "Pine Cliff Energy Ltd." Effective January 1, 2011, Pine Cliff amalgamated with its wholly-owned subsidiary, CanAmericas Energy Ltd., and its indirect wholly-owned subsidiary, CanAmericas (Chile) Energy Ltd., pursuant to the provisions of the ABCA under the name "Pine Cliff Energy Ltd." Effective October 1, 2013, Pine Cliff amalgamated with its wholly owned subsidiary Skope Energy pursuant to the ABCA under the name "Pine Cliff Energy Ltd." Where applicable, references to the "Corporation" and "Pine Cliff" in this Annual Information Form shall mean Pine Cliff, together with its direct and indirect subsidiaries.

Pine Cliff's registered and head office is located at Suite 850, 1015 - 4th Street S.W., Calgary, Alberta T2R 1J4.

Intercorporate Relationships

The following diagram sets forth the organizational structure of Pine Cliff and its material subsidiaries as of the date hereof.



Notes:

(1) Formed under the ABCA.
(2) Formed under the laws of the State of Delaware.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Pine Cliff is an Alberta-based corporation primarily engaged in the business of exploration for, and acquisition, development and production of oil, natural gas and natural gas liquids in the Western Canadian Sedimentary Basin (the "**WCSB**"). In order to create value for the holders ("**Shareholders**") of common shares of Pine Cliff ("**Common Shares**"), Pine Cliff is pursuing an integrated growth strategy that includes both the development and exploration drilling as well as focused acquisitions. Pine Cliff is seeking to acquire material asset positions in the WCSB to enlarge its current core area and create new core areas of production with significant reserves and drilling inventories.

Through its wholly-owned subsidiary, Geomark Explorations Ltd. ("**Geomark**"), Pine Cliff is also engaged in the business of exploring for precious metals with assets located in Ontario, the Northwest Territories and Nunavut, all in Canada and Utah, United States.

History of the Corporation

Year Ended December 31, 2011

Effective January 1, 2011, Pine Cliff amalgamated with its wholly owned subsidiary CanAmericas Energy Ltd. and its indirect wholly owned subsidiary CanAmericas (Chile) Energy Ltd. pursuant to the ABCA under the name "Pine Cliff Energy Ltd."

Year Ended December 31, 2012

On January 2, 2012, Philip B. Hodge was appointed President and Chief Executive Officer of Pine Cliff. Mr. Hodge assumed the Chief Executive Officer duties from George F. Fink who was appointed Executive Chairman of the board of directors of Pine Cliff (the "**Pine Cliff Board**") effective January 2, 2012 and who remains active in the day to day operations of Pine Cliff.

Pine Cliff completed a four for one rights offering for all Shareholders of record at the close of business on January 11, 2012 (the "**Rights Offering**"). Each Shareholder received one right for each Common Share held. For every four rights a Shareholder was entitled to purchase one Common Share at a subscription price of $0.17. A total of 11,536,423 Common Shares were issued as part of the Rights Offering for gross proceeds of approximately $2.0 million.

On February 4, 2012, Pine Cliff completed a non-brokered private placement and issued 5,882,000 Common Shares for a price of $0.17 per share for gross proceeds of approximately $1.0 million.

On March 1, 2012, Pine Cliff closed the acquisition of certain oil and natural gas assets in the Carrot Creek area in the Province of Alberta (the "**Carrot Creek Assets**") for cash consideration of $23.5 million ($22.6 million after adjustments). The acquisition had an effective date of January 1, 2012 and provided Pine Cliff with its first core area in the WCSB. At the time of acquisition, the Carrot Creek Assets were producing approximately 950 BOE/d of which approximately 23% was oil and NGLs and 77% was natural gas.

On October 19, 2012, Pine Cliff and Geomark closed a plan of arrangement whereby Pine Cliff and Geomark combined their entities (the "**Geomark Arrangement**"). Pursuant to the Geomark Arrangement, Pine Cliff acquired all of the issued and outstanding common shares of Geomark ("**Geomark Shares**") on the basis of 1.5 Common Shares for each Geomark Share, resulting in the issuance of 81,767,641 Common Shares.

On November 9, 2012, Pine Cliff completed the purchase from a Canadian financial institution of all the outstanding indebtedness and liabilities owing to the institution by Skope Energy Partners ("**Skope**") and all of the security documents granted by Skope to it. The total purchase price was cash consideration of $28 million.

On November 19, 2012, Pine Cliff, Skope Energy Inc., Skope Energy International Inc., Skope (collectively, the "**Skope Entities**") and Skope's manager, Full Cycle Energy Investment Management ("**Full Cycle**") entered into a settlement agreement pursuant to which the Skope Entities agreed to enter into a forbearance agreement and to cooperate to enable Skope to file an application under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**").

On November 27, 2012, the Skope Entities obtained an initial order from the Court of Queen's Bench of Alberta (the "**Court**") granting relief to Skope under the CCAA and appointing Ernst & Young Inc. as the monitor. The Court also granted Skope's claim process order, which sets out the procedure to be followed by Skope's creditors in advancing a claim against the Skope Entities.

On November 30, 2012, Pine Cliff completed a brokered private placement and issued 8,000,000 Common Shares at a price of $0.70 per share for gross proceeds of approximately $5.6 million.

Year ended December 31, 2013

On January 15, 2013, Pine Cliff obtained an order from the Court to, among other things, accept the filing of a Plan of Compromise and Arrangement (the "**Skope Plan of Arrangement**") of the Skope Entities previously filed pursuant to the CCAA. The Skope Plan of Arrangement effected a compromise of the claims of the unsecured creditors of Skope in order to permit Skope to restructure its affairs for the benefit of all stakeholders.

On February 19, 2013, the Skope Plan of Arrangement was approved by the Court and became effective on that same date, which resulted in Pine Cliff becoming the sole shareholder of Skope Energy Inc. ("**Skope Energy**"), which is the sole shareholder of Skope Energy International Inc. ("**Skope International**"). Where applicable, references to the "Skope Energy" in this Annual Information Form shall mean Skope Energy, together with its subsidiary, Skope International. Skope Energy owns an 80% working interest in a package of long-term, low decline producing shallow gas assets located in southeast Alberta (the "**Southern AB Assets**") and southwest Saskatchewan (the "**Southern SK Assets**"). The properties are currently producing approximately 3,500 BOE/d, 100% natural gas.

On June 19, 2013, Pine cliff completed a public share offering and issued 28,500,000 Common Shares at a price of $0.88 per share for gross proceeds of approximately $25.1 million.

On July 24, 2013, Pine Cliff completed the acquisition of an additional approximate 52% working interest in the Monogram unit (the "**Monogram Unit**") that is a portion of the Southern Assets, as defined herein, and related infrastructure (the "**Monogram Asset Acquisition**"). The Monogram Unit is located near the City of Medicine Hat, Alberta and produces dry natural gas mainly from the Milk River, Medicine Hat and Second White Specks zones. The Monogram Asset Acquisition added approximately 1,600 BOE/d of production to Pine Cliff's production base.

On August 30, 2013, Pine Cliff completed the acquisition of additional interests in the Southern Assets, as defined herein (the "**Additional Interests Acquisition**"). As part of the Additional Interests Acquisition, the asset management agreement that previously governed Pine Cliff's interests in the Southern Assets was terminated and Pine Cliff became the operator of the Southern AB Assets and the Southern SK Assets. The Additional Interests Acquisition included a further approximate 7% working interest in the Monogram Unit, a further approximate 20% working interest in the Pendor, Black Butte and Eagle Butte areas in the Province of Alberta and a further approximate 18% working interest in the Vidora, Cadillac and Wymark areas in the Province of Saskatchewan. Subsequent to this acquisition, Pine Cliff owns approximately 91% of the Monogram Unit. The Additional Interests Acquisition added approximately 850 BOE/d of production to Pine Cliff's production base.

Effective October 1, 2013, Skope Energy amalgamated with its wholly owned subsidiary Skope International pursuant to the ABCA under the name "Skope Energy Inc.".

Effective October 1, 2013, Pine Cliff amalgamated with its wholly owned subsidiary Skope Energy pursuant to the ABCA under the name "Pine Cliff Energy Ltd."

On October 17, 2013, Pine Cliff completed a public share offering and issued 18,200,000 Common Shares at a price of $1.10 per share for gross proceeds of approximately $20.0 million.

On December 18, 2013 Pine Cliff closed its option to purchase a 100% interest on a claim block on the King`s Canyon gold property located in Utah, United States (the "**Kings Canyon Option**"). The Kings Canyon Option was purchased for US$200,000 after negotiating a reduced purchase price from the original US$1,000,000 exercise price.

On December 18, 2013, Pine Cliff entered into an option agreement with Nighthawk Gold Corp. ("**Nighthawk**") for the disposition of its Kim gold property located approximately 200 kilometers north of the City of Yellowknife, Northwest Territories. Pine Cliff received a 2.5% net smelter royalty (of which 1.5% can be repurchased by Nighthawk for $1,500,000) and $1,550,000, with payments to be spread out over the next three years ($250,000 on December 18, 2013, $300,000 on December 31, 2014, $450,000 on December 31, 2015 and $550,000 on December 31, 2016). The first payment of $250,000 was received on December 18, 2013 ($125,000 cash and 1,768,345 common shares of Nighthawk). Nighthawk will not earn an interest in the property until all amounts have been paid. At the sole option of Nighthawk, one-half of the payments may be satisfied by issuing common shares, which are listed and posted for trading on a recognized stock exchange in Canada.

Significant Acquisitions

The acquisition of the Carrot Creek Assets, the Geomark Arrangement and the acquisition of Skope Energy were considered significant acquisitions for which disclosure was required under Part 8 of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51**-102**"). The Corporation filed business acquisition reports in the form of Form 51-102F4 with respect to the acquisition of the Carrot Creek Assets on May 10, 2012, with respect to the Geomark Arrangement on November 5, 2012 and with respect to the acquisition of Skope Energy on May 6, 2013. For a summary of the acquisition of the Carrot Creek Assets, the Geomark Arrangement and the acquisition of Skope Energy, see above under the heading "*History of the Corporation – Year Ended December 31, 2012*" and "*– Recent Developments*".

Competition

The oil, natural gas and mineral exploration industries are competitive in all their respective phases. Pine Cliff competes with numerous other participants in the search for, and the acquisition of, oil, natural gas and mining properties and in the marketing of oil and natural gas. Pine Cliff's competitors include resource companies which have greater financial resources, staff and facilities than those of Pine Cliff. Competitive factors in the distribution and marketing of oil and natural gas include price, and methods and reliability of delivery. Pine Cliff believes that its competitive position is equivalent to that of companies of similar size and at a similar stage of development. See "*Risk Factors*".

Seasonal

The exploration for and development of oil and natural gas reserves is dependent on access to areas where production is to be conducted. Seasonal weather variations, including freeze-up and break-up, affect access and operational efficiencies in certain circumstances. Mineral exploration programs are also somewhat seasonal, especially in the Arctic regions or higher altitude areas; however, properly planned and conducted drilling campaigns can be completed at any time.

Environmental Regulation

The oil, natural gas and mineral exploration industries are currently subject to environmental regulations pursuant to a variety of provincial, state and federal legislation. Compliance with such legislation can require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which might have a significant negative impact on earnings and overall competitiveness. See "*Risk Factors*".

Personnel

As at the date hereof, Pine Cliff had 13 full-time employees and one consultant at its head office and 12 full-time employees and 15 contractors in the field. Pine Cliff has also entered into a management services contract with Bonterra Energy Corp. ("**Bonterra**") to assist in the management and operations of its assets.

Specialized Skills and Knowledge

Pine Cliff believes that its success is dependent on the performance of its management and key employees, all of whom have specialized knowledge and skills relating to either oil and natural gas operations or mineral exploration operations. Pine Cliff believes it has, or will be able to attract, adequate personnel with the specialized skills required to successfully carry out its operations but the failure to attract or retain such personnel would have a material adverse impact on its business.

Bankruptcies and Reorganizations

There has not been any bankruptcy, receivership or similar proceedings against Pine Cliff, or any voluntary bankruptcy, receivership or similar proceedings by Pine Cliff, within the three most recently completed financial years or completed during or proposed for the current financial year.

Effective January 1, 2011, Pine Cliff amalgamated with its wholly owned subsidiary CanAmericas Energy Ltd. and its indirect wholly owned subsidiary CanAmericas (Chile) Energy Ltd. pursuant to the ABCA under the name "Pine Cliff Energy Ltd."

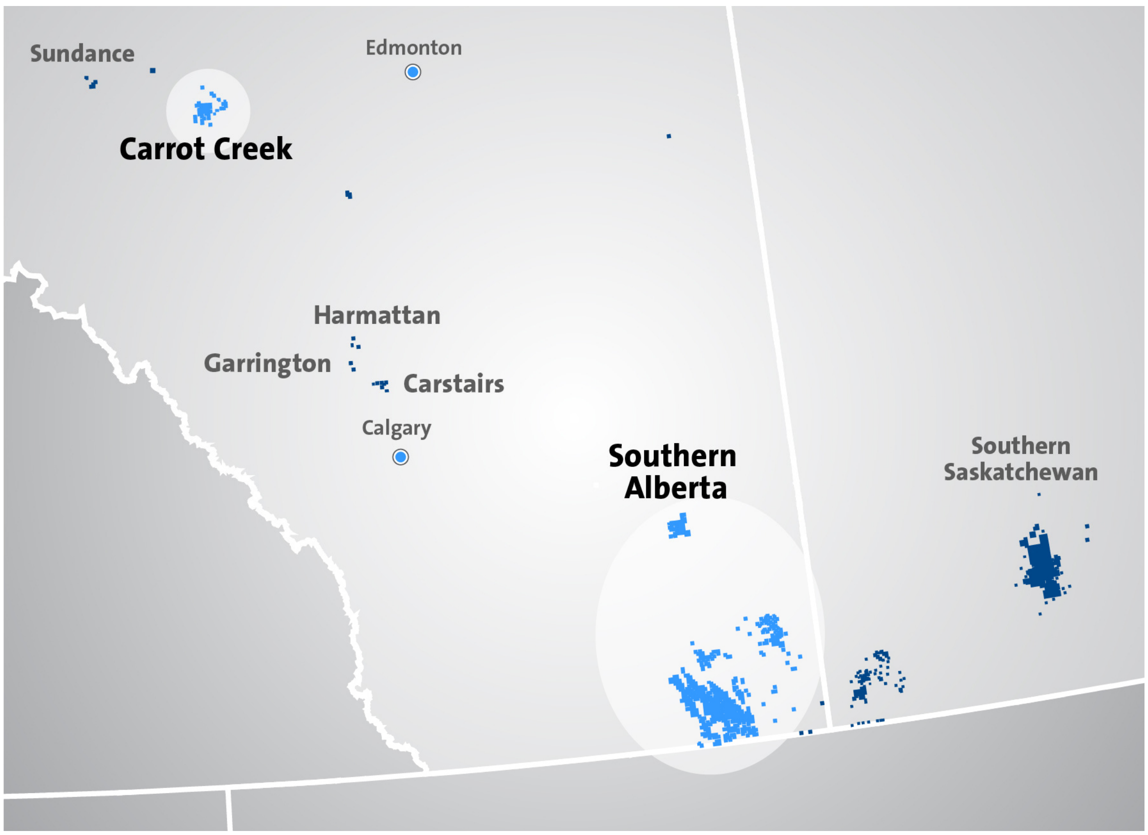
Effective October 19, 2012, Pine Cliff completed the Geomark Arrangement with Geomark.

Effective October 1, 2013, Pine Cliff amalgamated with its wholly owned subsidiary Skope Energy pursuant to the ABCA under the name "Pine Cliff Energy Ltd."

Description of Oil and Gas Properties

Pine Cliff's oil and gas properties at December 31, 2013 are located in Alberta and Saskatchewan where the Corporation operates or has ownership in facilities and other installations necessary to produce, transport and sell oil, natural gas and NGLs. A description of Pine Cliff's oil and gas properties and infrastructure is set out below.

The following map outlines the location of our assets:



Carrot Creek

The Carrot Creek assets are located southeast of the town of Edson, Alberta, Canada and produce liquids rich natural gas as well as a small amount of oil. Pine Cliff has a 56% average working interest in the Carrot Creek assets and is the operator of approximately 90% of the Corporation's production in the area. The Carrot Creek area has multi-zone potential which can be further exploited using horizontal drilling technology.

Pine Cliff's acreage in the area is productive primarily from sands belonging to the middle Jurassic Rock Creek formation and the Lower Cretaceous Lower Manville (basal quartz) and Ostracod formations. Secondary zones of interest in the area include sands belonging to the Cardium, Viking, Wilrich and Notikewin formations.

The Rock Creek sands are interpreted to have been deposited in a shallow marine shelf environment where lateral thickness variations may be the result of paleotopographic variability or changes in depositional environment. The reservoir sands are comprised of fine to medium grained sands and siltstones, average approximately six metres in thickness and are encountered at an average drill depth of 2,425 m.

Unconformably, overlying the Fernie Shale are the Lower Manville (basal quartz) equivalent sands. Derived from the Rocky Mountains to the west, these chert-rich sands were deposited by the northerly flowing Spirit River Channel system. The trapping mechanism for all the reservoirs in the Carrot Creek area is largely stratigraphic.

Southern Alberta and Southern Saskatchewan (the "**Southern Assets**")

Pine Cliff acquired its initial working interest in certain non-operated natural gas producing properties in Southern Alberta and Southern Saskatchewan on February 19, 2013 through the acquisition of Skope Energy. Since June 30, 2013, the Corporation has acquired an additional 60.84305% working interest in the Monogram Unit, an approximate 20% working interest in the Southern AB Assets and an approximate 18% working interest in the Southern SK Assets. In addition, Pine Cliff became the operator of the Monogram Unit, the Southern Assets on August 30, 2013. The majority of the producing zones in these properties are from the upper Cretaceous Milk River, Medicine Hat and Second White Specks sands in southern Alberta and Saskatchewan, which together constitute one of the largest Canadian gas fields ever discovered. These fields are characterised by their shallow depths, low-permeability clay-rich sands. The formations occur in broad sheet-like sands that are laterally extensive and have been regarded by many as offshore sands. Underlying structures create fracturing which enhances permeability in these shallow horizons.

Pendor/Black Butte

The Pendor/Black Butte areas are located approximately 80 kms southwest of the city of Medicine Hat, Alberta and produce natural gas. Development and production activities in the Pendor/Black Butte areas at this time are primarily directed toward exploitation and maintaining production.

Pine Cliff controls most of the infrastructure in this area which includes a gas gathering system, two gas processing facilities and a 100% interest in a sales gas export pipeline terminating in Montana. This infrastructure control allows Pine Cliff to maintain a low cost structure in the region. Pine Cliff has identified a number of recompletion and tie-in opportunities, as well as infill and edge horizontal drilling opportunities in the tighter halo Second White Specks sands should natural gas prices recover.

Monogram

The Monogram area is located approximately 40 kms northeast of the city of Medicine Hat, Alberta and produces natural gas. Development and production activities in the Monogram area are currently directed toward exploitation and maintaining production. Although there is no undeveloped land in this area, the developed land base offers a small inventory of infill drilling locations.

Eagle Butte

The Eagle Butte area is located approximately 24 kms southeast of the city of Medicine Hat, Alberta. Development and production activities in the Eagle Butte area are currently directed towards exploitation and maintaining production. Pine Cliff has identified an infill drilling program, should natural gas prices significantly exceed current natural gas prices, targeting the Second White Specks, Medicine Hat and the lower shore face Bow Island sands.

Cadillac Wymark/Vidora

The Cadillac Wymark/Vidora areas are located in southwest Saskatchewan. Development and production activities in the Cadillac Wymark/Vidora areas are currently directed toward exploitation and maintaining production.

Other Areas

At December 31, 2013, Pine Cliff also has working interests in non-operated properties in the Sundance, Carstairs, Garrington and Harmatten areas of Alberta, but does not consider them to be core areas at this time.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Reserves Data in Respect of Pine Cliff

All of Pine Cliff's oil and gas reserves are located in Canada. Pine Cliff conducts an annual independent evaluation of all of the Corporation's reserves. Pine Cliff engaged independent petroleum consultants McDaniel & Associates Consultants Ltd. ("**McDaniel**") to evaluate reserves for all of Pine Cliff's oil and gas properties effective December 31, 2013 (the "**Pine Cliff Reserve Report**"). The McDaniel report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101. McDaniel has reviewed and consented to the information contained herein.

The reserves data summarizes the oil, natural gas and NGLs reserves of Pine Cliff and the net present values of future net revenue for these reserves using forecast prices and costs. The reserves data conforms to the requirements of NI 51-101. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which the Corporation believes is important to the readers of this information. Pine Cliff engaged McDaniel to provide an evaluation of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

All evaluations of future net production revenue set forth in the tables below are based on McDaniel's pricing assumptions as at December 31, 2013 for the forecast case and are stated for Pine Cliff's working interest share of reserves (referred to as "Gross" in NI 51-101) in accordance with the COGE Handbook. Pine Cliff's net interest share is after deduction for royalty burdens payable. It should not be assumed that the discounted future net production revenue estimated by the McDaniel Report represents the fair market value of the reserves. There is no assurance that the future price and cost assumptions used in the McDaniel Report will prove accurate and variances could be material. The recovery and reserve estimates of oil, natural gas and NGLs reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein. Tables may not add due to rounding.

Reserves and future net revenue have been made assuming that development of each property in respect of which the estimate is made will occur, without regard to the likely availability of Pine Cliff of funding required for that development.

The Pine Cliff Board reviews the qualifications and appointment of the independent qualified reserves evaluators. The Pine Cliff Board also reviews the procedures for providing information to the evaluators. The Pine Cliff Board has reviewed and approved the McDaniel Report.

In accordance with the requirements of NI 51-101, the Report on Reserves Data by Independent Qualified Reserves Evaluator in Form 51-101F2 and the Report of Management and Directors on Oil and Gas Disclosure in Form 51-101F3 are attached as Appendices A and B hereto, respectively.

PART 1 – DATE OF STATEMENT

Relevant dates:

(1) Statement date is February 10, 2014
(2) Effective date is December 31, 2013
(3) Preparation date is February 10, 2014

PART 2 – DISCLOSURE OF RESERVE DATA

SUMMARY OF OIL AND GAS RESERVES
AS OF DECEMBER 31, 2013
FORECAST PRICES AND COSTS

	Light and Medium Oil		Natural Gas (Non-associated and associated)		Natural Gas Liquids		Total Oil Equivalent	
Reserve Category:	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (MBOE)	Net (MBOE)
Proved								
Developed Producing	79.8	70.2	63,410.2	55,735.5	421.1	300.3	11,069.3	9,659.7
Developed Non-Producing	-	-	255.3	236.4	9.8	6.5	52.4	45.9
Undeveloped	19.7	18.6	19,281.3	17,229.8	70.9	61.4	3,304.2	2,951.7
Total Proved	**99.6**	**88.8**	**82,946.8**	**73,201.7**	**501.9**	**368.3**	**14,425.9**	**12,657.4**
Probable	119.8	92.6	26,300.6	23,539.4	345.1	258.9	4,848.2	4,274.7
Total Proved plus Probable	**219.3**	**181.4**	**109,247.4**	**96,741.0**	**846.9**	**627.3**	**19,274.1**	**16,932.1**

SUMMARY OF NET PRESENT VALUES OF
FUTURE NET REVENUE
AS OF DECEMBER 31, 2013
FORECAST PRICES AND COSTS

Net Present Values of Future Net Revenue
Before Income Taxes

(M$)	Discounted at (% per Year) 0%	5%	10%	15%	20%	Unit Value before Income Taxes (Discounted at 10% per year)
Reserve Category:						$/BOE
Proved						
Developed Producing	101,478.2	92,342.9	84,238.6	77,304.0	71,414.0	8.72
Developed Non-Producing	379.4	335.9	295.7	259.8	228.4	6.44
Undeveloped	17,208.7	10,290.0	5,410.1	1,959.8	(487.2)	18.83
Total Proved	**119,066.4**	**102,968.8**	**89,944.4**	**79,523.6**	**71,155.1**	**7.11**
Probable	83,721.5	59,403.2	44,476.1	34,561.3	27,607.3	10.40
Total Proved plus Probable	**202,787.8**	**162,372.0**	**134,420.5**	**114,084.9**	**98,762.4**	**7.94**

Net Present Values of Future Net Revenue
After Income Taxes

(M$)	Discounted at (% per Year) 0%	5%	10%	15%	20%
Reserve Category:					
Proved					
Developed Producing	97,074.0	88,325.3	80,550.0	73,897.8	68,252.3
Developed Non-Producing	247.9	215.2	184.3	156.7	132.5
Undeveloped	15,122.2	8,518.8	3,896.9	659.5	(1,610.2)
Total Proved	**112,444.1**	**97,059.4**	**84,631.2**	**74,714.1**	**66,774.6**
Probable	70,822.5	48,877.7	35,730.3	27,170.5	21,268.4
Total Proved plus Probable	**183,266.6**	**145,937.0**	**120,361.5**	**101,884.6**	**88,043.0**

TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
AS OF DECEMBER 31, 2013
FORECAST PRICES AND COSTS

(M$)	Revenue	Royalties	Operating Costs	Develop-ment Costs	Well Abandon-ment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Proved	420,297	51,044	158,793	43,746	47,647	119,066	6,622	112,444
Proved Plus Probable	598,471	73,381	217,757	55,360	49,185	202,788	19,521	183,267

NET PRESENT VALUE OF FUTURE NET REVENUE
BY PRODUCTION GROUP
AS OF DECEMBER 31, 2013
FORECAST PRICES AND COSTS

($000's)		Future Net Revenue Before Income Taxes (Discounted at 10% per year)	Unit Value before Income Taxes (Discounted at 10% per year)
Reserve Category:	Production Group	($000's)	$/BOE
Proved	Light and Medium Oil (1)	2,339	97.97
	Non-Associated Gas (2)	87,606	1.20
Proved plus Probable	Light and Medium Oil (1)	2,876	97.98
	Non-Associated Gas (2)	131,544	1.37

Note:
(1) Including associated gas and byproducts.
(2) Including byproducts.

PART 3 – PRICING ASSUMPTIONS

SUMMARY OF PRICING AND
INFLATION RATE ASSUMPTIONS
AS OF DECEMBER 31, 2013
FORECAST PRICES AND COSTS

The forecast prices, as provided by McDaniel, used in the preparation of the Pine Cliff Reserve Report are:

	WTI Crude Oil	Edmonton Light Crude Oil	Alberta AECO Spot Price	$C to $US Exchange Rate
	$US/Bbl	$C/Bbl	$C/MMBtu	
2014	95.00	95.00	4.00	1.05
2015	95.00	96.50	4.25	1.05
2016	95.00	97.50	4.55	1.05
2017	95.00	98.00	4.75	1.05
2018	95.30	98.30	5.00	1.05
2019	96.60	99.60	5.25	1.05
2020	98.50	101.60	5.35	1.05
2021	100.50	103.60	5.45	1.05
2022	102.50	105.70	5.55	1.05
2023	104.60	107.90	5.65	1.05
2024	106.70	110.00	5.75	1.05
2025	108.80	112.20	5.90	1.05
2026	111.00	114.50	6.00	1.05
2027	113.20	116.70	6.15	1.05
2028	115.50	119.10	6.25	1.05
Thereafter 2% per year.				

The weighted average realized sale price for the year ended December 31, 2013 was $93.08 per Bbl for crude oil, $58.62 per Bbl for NGLs and $3.04 per Mcf for natural gas.

PART 4 – RECONCILIATION OF CHANGES IN RESERVES

RECONCILIATION OF PINE CLIFF'S GROSS RESERVES (BEFORE ROYALTY) BY PRINCIPAL PRODUCT TYPE AS OF DECEMBER 31, 2013 FORECAST PRICES AND COSTS

	Light and Medium Oil and Natural Gas Liquids			Natural Gas			BOE		
	Proved (Mbbl)	Probable (Mbbl)	Proved plus Probable (Mbbl)	Proved (MMcf)	Probable (Mbbl)	Proved plus Probable (MMcf)	Proved (MBOE)	Probable (Mbbl)	Proved Plus Probable (MBOE)
December 31, 2012	**646.5**	**318.1**	**964.6**	**11,075.6**	**6,173.8**	**17,249.4**	**2,492.5**	**1,347.0**	**3,839.5**
Extension/Improved Recovery	77.7	268.1	345.8	1,565.3	5,755.3	7,320.6	338.5	1,227.4	1,565.9
Infill Drilling	-	-		-	-	-	-	-	-
Improved Recovery		-		-	-		-	-	-
Technical Revisions	(0.1)	(98.2)	(98.3)	(1,772.5)	(1,392.5)	(3,165.0)	(295.5)	(330.4)	(625.9)
Discoveries	-	-	-	-	-	-	-	-	
Acquisitions	5.7	1.0	6.7	82,502.9	16,277.0	98,779.9	13,756.2	2,713.8	16,470.0
Dispositions	-	-	-	-	-	-	-	-	
Economic factors	(25.9)	(24.2)	(50.1)	(554.3)	(513.0)	(1,067.3)	(118.3)	(109.6)	(227.9)
Production	(102.5)	-	(102.5)	(9,870.2)	-	(9,870.2)	(1,747.5)	-	(1,747.5)
December 31, 2013	**601.4**	**464.8**	**1,066.2**	**82,946.8**	**26,300.6**	**109,247.4**	**14,425.9**	**4,848.2**	**19,274.1**

PART 5 – ADDITIONAL INFORMATION RELATED TO RESERVE DATA

Undeveloped Reserves

Undeveloped reserves were attributed in accordance with the standards and procedures in the COGE Handbook. The following chart shows the Corporation's gross reserves, first attributed by year.

	Light and Medium Oil		Natural Gas (Non-associated and associated)		Natural Gas Liquids		MBOE	
	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End	First Attributed	Total at Year End
Proved Undeveloped Reserves								
Prior	-	-	239.0	239.0	1.5	1.5	41.3	41.3
2011	-	-	85.0	324.0	-	0.4	14.2	54.4
2012	18.5	18.5	1,589.7	1,589.7	70.7	70.7	354.2	354.2
2013	3.9	19.7	17,856.6	19,281.3	16.1	70.9	2,996.1	3,304.2
Probable Undeveloped Reserves								
Prior	-	-	53.0	53.0	0.3	0.3	9.1	9.1
2011	-	-	19.0	72.0	-	0.1	3.2	12.1
2012	11.2	11.2	1,654.3	1,939.6	65.6	66.7	352.5	401.1
2013	82.1	92.9	8,942.2	10,313.0	161.6	192.5	1,734.1	2,004.2

Proved undeveloped reserves comprise approximately 23% of Corporation's total proved reserves on a BOE basis. Proved undeveloped reserves of 3,304.2 MBOE were assigned by McDaniel in accordance with NI 51-101. In general, proved undeveloped reserves were assigned to certain properties as a result of Pine Cliff's capital program. Pine Cliff plans to convert the undeveloped reserves to proved developed producing reserves over the next two years.

Probable undeveloped reserves were assigned by McDaniel in accordance with NI 51-101 requirements and standards. Pine Cliff's probable undeveloped reserves amount to 2,004.2 MBOE and represent about 41% of the total probable reserves. Probable undeveloped reserves are assigned for similar reasons and generally to the same properties as proved undeveloped reserves, but also meet the requirements of the reserve classification to which they belong. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations. Pine Cliff plans to convert the undeveloped reserves to proved developed producing reserves over the next two years.

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering or economic data. These estimates may change substantially as additional data from ongoing development activities and production performance become available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can either be positive or negative.

Future Development Costs

The following table outlines development costs deducted in the McDaniel Report in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves, in each instance using forecast prices and costs.

(M$)	Total Proved	Total Proved Plus Probable
2014	3,187	12,071
2015	19,396	22,126
2016	21,163	21,163
2017	-	-
2018	-	-
Remainder	-	-
Total for all years undiscounted	43,746	55,360
Total for all years discounted at 10% per year	36,608	47,319

Pine Cliff estimates that its internally generated cash flow and unused bank credit facilities will be sufficient to fund the future development costs disclosed above. Pine Cliff typically has available three sources of funding to finance its capital expenditure program: internally generated cash flow from operating activities; debt financing when appropriate; and new equity issues, if available on favourable terms.

Pine Cliff has internally estimated that it has approximately 50 gross (18 net) undrilled locations on the Carrot Creek Assets and the Sundance assets and approximately 200 gross (160 net) undrilled locations on the Southern Assets.

PART 6 – OTHER OIL AND GAS INFORMATION

Well Count

The wells in which Pine Cliff had an interest in as at December 31, 2013 are set out in the following table:

	Oil Wells		Gas Wells		Total	
	Gross	Net	Gross	Net	Gross	Net
Producing wells						
Alberta	42	2	1,979	1,784	2,021	1,786
Saskatchewan	-	-	301	191	301	191
Total producing	42	2	2,280	1,976	2,322	1,977
Non-producing wells						
Alberta	51	5	344	279	395	284
Saskatchewan	-	-	310	182	310	182
Total non-producing	51	5	654	461	705	466
Total	93	7	2,934	2,437	3,027	2,443

Forward Contracts

The Corporation has no forward contracts.

Abandonment and Reclamation Costs

Pine Cliff uses its internal historical costs to estimate its abandonment and reclamation costs when available. The costs are estimated on an area by area basis and are calibrated to industry's historical costs, when available. If representative comparisons are not readily available, an estimate is prepared based on the various regulatory abandonment requirements. Cost estimations adhere in all material respects to the "best practices" recommended in the COGE handbook. Pine Cliff's estimated abandonment and reclamation costs for 1,759.5 proved net producing wells and 1,771.5 net proved plus probable wells are as follows:

(M$)	Total Proved	Total Proved Plus Probable
2014	60.0	60.0
2015	986.0	986.0
2016	158	158
2017	210	64
2018	6,575	3,090
Remainder	39,658	44,827
Total for all years undiscounted	47,647	49,185
Total for all years discounted at 10% per year	21,054	19,363

Certain costs related to the abandonment and reclamation of non-reserve wells, gathering systems, production facilities and site reclamation have been excluded from the estimation of future net revenue. At December 31, 2013, Pine Cliff estimates these costs to be $8.0 million, undiscounted. Pine Cliff expects to pay $0.04 million in such costs in the next three years.

Tax Horizon

Pine Cliff does not expect to pay income tax in the 2013 fiscal year. Depending on production, commodity prices and capital spending levels, Pine Cliff does not expect to pay current income taxes until after 2014.

Costs Incurred

The following table summarizes petroleum and natural gas capital expenditures incurred by the Corporation on acquisitions, land, seismic, exploration and development drilling and production facilities for the year ended December 31, 2013:

(M$)	
Property acquisition costs - proved	37,583
Property acquisition costs - unproved	4,667
Exploration - oil and gas	170
Development	10,468
Net oil and natural gas capital expenditures	52,888

Exploration and Development Activities

The following table summarizes Pine Cliff's gross and net drilling activity and success in the year ended December 31, 2013:

	Development		Exploratory		Total	
	Gross	Net	Gross	Net	Gross	Net
Oil	-	-	-	-	-	-
Gas	2.00	1.25	-	-	2.00	1.25
Service	-	-	-	-	-	-
Dry holes	1.00	0.19	-	-	1.00	0.19
Total	3.00	1.44	-	-	3.00	1.44
Success rate	67%	87%	-	-	67%	87%

Pine Cliff's development drilling activities in 2014 and 2015 will be mainly focused on oil and liquids drilling on its Carrot Creek assets.

Production Estimates

The following table summarizes the estimated 2014 production reflected in the estimates of future net revenue disclosed under Part 2 in the Pine Cliff Reserve Report:

	Gross Daily Production Total
Total Proved	
Light and Medium Oil (Bbld)	67.1
Natural Gas, associated and non associated (BOE/D)	5,781.7
Natural Gas Liquids (Bbld)	199.5
Total (BOED)	6,048.3
Total Probable	
Light and Medium Oil (Bbl/d)	82.2
Natural Gas, associated and non associated (bbl/d)	6,121.4
Natural Gas Liquids (bbld)	251.0
Total (BOE/D)	6,454.5

Pine Cliff's Pendor area accounts for 1,492 BOE/d (25%) of the Corporation's total estimated production for 2014 from gross proved reserves and 1,524 BOE/d (24%) of the Corporation's production from gross proved plus probable reserves. Pine Cliff's Monogram area accounts for 2,399 BOE/d (40%) of the Corporation's total estimated production for 2014 from gross proved reserves and 2,441 BOE/d (38%) of the Corporation's production from gross proved plus probable reserves.

Production History

	Quarter ended March 31, 2013	Quarter ended June 30, 2013	Quarter ended September 31, 2013	Quarter ended December 31, 2013
Average daily production				
Natural gas volumes (Mcf/d)	13,726	24,352	33,157	36,613
Light and medium oil (Bbl/d)	46	93	67	52
NGLs (Bbl/d)	202	183	191	289
Combined (BOE/d)	2,536	4,335	5,784	6,443
Natural gas netbacks ($/mcf)				
Average sales price	3.23	3.37	2.45	3.30
Royalties	0.36	(0.05)	0.20	0.20
Operating expenses	1.58	1.88	1.41	1.44
Netback	1.29	1.54	0.84	1.66
Light and medium oil netbacks ($/bbl)				
Average sales price	84.11	87.29	104.53	96.33
Royalties	14.79	5.99	10.95	8.38
Operating expenses	15.01	11.87	9.86	16.91
Netback	54.31	69.43	83.72	71.04
NGLs netbacks ($/bbl)				
Average sales price	62.45	53.37	86.76	40.71
Royalties	20.25	35.60	25.88	10.32
Operating expenses	12.39	12.62	18.24	8.40
Netback	29.81	5.15	42.64	21.99
Combined netbacks ($/boe)				
Average sales price	23.94	23.03	18.26	21.29
Royalties	3.85	1.36	2.11	1.67
Operating expenses	9.84	10.91	8.78	8.71
Netback	10.25	10.76	7.37	10.91

The following table provides a summary of the average production volumes from Pine Cliff's main producing areas:

	Q1-2013	Q2-2013	Q3-2013	Q4-2013
Carrot Creek	835	801	912	874
Central Alberta	124	130	97	174
Southern Assets	1,505	3,336	4,713	5,375
Sundance	72	68	62	20
Total	2,536	4,335	5,784	6,443

Lease Holdings

Pine Cliff's December 31, 2013 holdings of petroleum and natural gas leases and rights are as follows:

	Developed Acres		Undeveloped Acres		Total	
	Gross	Net	Gross	Net	Gross	Net
Area:						
Auburndale	640	640	-	-	640	640
Black Butte	33,288	31,884	7,840	7,596	41,128	39,480
Cadillac / Wymark / Vidora	80,696	72,626	89,062	87,690	169,759	160,317
Carrot Creek	25,440	15,267	9,920	4,489	35,360	19,756
Carstairs	2,552	353	800	144	3,352	497
Eagle Butte	53,196	52,477	3,369	3,369	56,565	55,846
Garrington	1,600	365	-	-	1,600	365
Granlea	9,615	9,615	8,320	8,320	17,935	17,935
Harmatten	1,280	149	-	-	1,280	149
Monogram	43,548	39,228	-	-	43,548	39,228
Pendor	263,134	247,176	37,440	34,341	300,574	281,517
Sundance	3,040	361	320	42	3,360	403
	518,029	470,141	157,071	145,991	675,100	616,132

There are no attributed reserves assigned to the 640 gross (640 net) acres in the Auburndale area and the 169,759 gross (160,317 net) acres in the Cadillac / Wymark / Vidora area. The Corporation has interests in 21,120 gross (19,968 net) acres that will expire within one year.

MINING ASSETS

Through its wholly-owned subsidiary, Geomark, Pine Cliff holds mining assets, including certain mineral leases and claims located in Ontario, the Northwest Territories, Nunavut and Utah. Geomark commenced operations in July 2010 following the successful completion of a plan of arrangement (the "**Meliadine Arrangement**") involving Meliadine Holdings Inc. (formerly Comaplex Minerals Corp., "**Meliadine**" or "**Comaplex**"), Agnico-Eagle Mines Limited, Geomark and the shareholders of Meliadine. As a result, Geomark acquired certain assets from Meliadine. None of the mineral leases and claims are presently material to Pine Cliff from an accounting or securities perspective.

In May 2012, Geomark concluded a transaction to acquire a 100% ownership in the Kings Canyon gold property in Southwest Utah, United States. The property is subject to a net smelter royalty ("**NSR**") that ranges from 2% to 5%. On December 18, 2013, Pine Cliff closed the purchase of the Kings Canyon Option for a 100% interest in a second contiguous claim block (and historical gold resource). The Kings Canyon Option was purchased for US$200,000 after negotiating a reduced purchase price from the original US$1,000,000 exercise price. The property with the Kings Canyon Option carries two NSRs totaling 5%. Additional exploration activities will be necessary to justify a commercially viable heap leach project and due to the current low price of gold, the Company does not plan to incur any further capital expenditures on the property in 2014.

RISK FACTORS

The following is a summary of certain risk factors relating to the business of Pine Cliff. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form. Shareholders and potential Shareholders should consider carefully the information contained herein and, in particular, the following risk factors. If any of these risks occur, Pine Cliff's production, revenues and financial conditions could be materially harmed, with a resulting decrease in the market price of the Common Shares.

Risks Related to the Oil and Natural Gas Industry

Operational Risks

Oil and natural gas development and exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering and oil spills, each of which could result in substantial damage to oil and natural gas wells, producing facilities, other property and the environment or in personal injury. In accordance with industry practice, Pine Cliff is not fully insured against all of these risks, nor are all such risks insurable. Although Pine Cliff maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event Pine Cliff could incur significant costs that could have a materially adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including premature decline of reservoirs and the invasion of water into producing formations.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Pine Cliff and may delay exploration and development activities.

To the extent Pine Cliff will not be the operator of its oil and gas properties, Pine Cliff will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues if the operator becomes insolvent.

In addition, the success of Pine Cliff will be largely dependent upon the performance of its management and key employees. Pine Cliff does not currently have any key person insurance policies and, therefore, there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on Pine Cliff.

Pine Cliff's ability to market oil and natural gas from its wells also depends upon numerous other factors beyond its control, including, among other things, the availability of natural gas processing and storage capacity, the availability of pipeline capacity, the price of oilfield services and the effects of inclement weather. Because of these factors, Pine Cliff may be unable to market some or all of the oil and natural gas it produces or to obtain favourable prices for the oil and natural gas it produces.

A portion of Pine Cliff's natural gas is directly exported from Canada to the United States and is subject to regulation by the National Energy Board ("**NEB**"). The current natural gas export permit ends on November 26, 2015 and if not renewed, Pine Cliff may be unable to find an alternative market for this portion of its natural gas production.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and potential cash flows to be derived therefrom, including many factors beyond the control of Pine Cliff. The reserve and cash flow information set forth in this Annual Information Form represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of Pine Cliff. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. These evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluations.

Reserve Replacement

Pine Cliff's future oil and natural gas reserves, production and cash flows to be derived are highly dependent on successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves and production will decline over time as such existing reserves are exploited. A future increase in reserves will depend not only on Pine Cliff's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that

Pine Cliff's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas. The Common Shares may decrease in value as reserves from Pine Cliff's properties can no longer be economically produced.

Industry Regulation and Competition

There is strong competition relating to all aspects of the oil and natural gas industry. Pine Cliff will actively compete for capital, skilled personnel, undeveloped land, reserve acquisitions, access to drilling rigs, service rigs and other equipment, access to processing facilities and pipeline and refining capacity, and in all other aspects of its operations with a substantial number of other organizations, many of which may have greater technical and financial resources than Pine Cliff. Some of those organizations not only explore for, develop and produce oil and natural gas but also carry on refining operations and market petroleum and other products on a world-wide basis and as such have greater and more diverse resources on which to draw.

The marketability of oil and natural gas acquired or discovered will be affected by numerous factors beyond the control of Pine Cliff. These factors include reservoir characteristics, market fluctuations, the proximity and capacity of oil and natural gas pipelines and processing equipment and government regulation. Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government which may be amended from time to time. Pine Cliff's oil and natural gas operations are also subject to compliance with federal, provincial and local laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment.

Royalty Regimes

The potential for additional future changes to the royalty regime in Alberta and corresponding changes in the royalty regimes in other jurisdictions where Pine Cliff may operate has created uncertainty surrounding the ability to accurately estimate future royalties, resulting in additional volatility and uncertainty in the oil and gas market. Increases to royalty rates in jurisdictions in which Pine Cliff operates may negatively impact results from operations and Pine Cliff's ability to economically develop existing reserves or add new reserves.

Volatility of Oil and Gas Prices and Markets

Oil, NGLs and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Pine Cliff's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of Pine Cliff's reserves. Pine Cliff might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Pine Cliff's net production revenue causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Pine Cliff are in part be determined by Pine Cliff's borrowing base. A sustained material decline in prices from historical average prices could further reduce such borrowing base, therefore reducing the bank credit available and could require that a portion of its bank debt be repaid. From time to time, Pine Cliff may enter into agreements to receive fixed prices on its oil, NGLs or natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreement, Pine Cliff will not benefit from such increases.

The marketability and price of oil, NGLs and natural gas that may be acquired or discovered by Pine Cliff are and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil and natural gas. Conflicts, or conversely peaceful developments, arising in certain areas of the world have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of Pine Cliff's revenue and consequently the market price of the Common Shares.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. There can be no assurance that these seasonal factors will not adversely affect the timing and scope of Pine Cliff's exploration and development activities, which could in turn have a material adverse impact on Pine Cliff's business, operations and prospects.

Variations in Foreign Exchange Rates and Interest Rates

Pine Cliff's expenses will be denominated in Canadian dollars or the currency of other jurisdictions in which it operates, while the price of oil and natural gas will generally be denominated in United States dollars or impacted by the Canadian dollar to United States dollar exchange rate. As the exchange rate for the Canadian dollar versus the United States dollar increases, Pine Cliff will generally receive fewer Canadian dollars for its production. If the value of the Canadian dollar against the United States dollar continues to increase as it has over recent years, the financial results of Pine Cliff may be negatively affected. Pine Cliff's management may initiate certain hedges to mitigate these risks but there are no guarantees that such efforts will result in a better financial position for Pine Cliff than not initiating such hedges. Future fluctuations in foreign exchange rates may impact the future value of Pine Cliff's reserves as determined by independent evaluators. In addition, variations in interest rates could result in a significant change in the amount Pine Cliff will pay to service debt, potentially adversely affecting the value of the Common Shares.

Environmental Regulations

All phases of the crude oil, natural gas and refining operations are subject to environmental regulation pursuant to a variety of federal, provincial, territorial, and municipal laws and regulations (collectively, "**environmental regulations**"). Environmental regulations require that wells, facility sites, refineries and other properties associated with Pine Cliff's operations be constructed, operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. In addition, certain types of operations, including exploration and development projects and changes to certain existing projects, may require the submission and approval of environmental impact assessments or permit applications. Environmental regulations imposes, among other things, restrictions, liabilities and obligations in connection with the generation, handling, use, storage, transportation, treatment and disposal of hazardous substances and waste and in connection with spills, releases and emissions of various substances to the environment. It also imposes restrictions, liabilities and obligations in connection with the management of fresh or potable water sources that are being used, or whose use is contemplated, in connection with oil and gas operations. Compliance with environmental regulations can require significant expenditures, including expenditures for clean-up costs and damages arising out of contaminated properties and failure to comply with environmental regulations may result in the imposition of fines and penalties. Although it is not expected that the costs of complying with environmental regulations will have a material adverse effect on Pine Cliff's financial condition or results of operations, no assurance can be made that the costs of complying with environmental regulations in the future will not have such an effect. The implementation of new regulations or the modification of existing regulations affecting the crude oil and natural gas industry generally could reduce demand for crude oil and natural gas and increase Pine Cliff's costs.

Climate Change Regulations

The Canadian federal government and various provincial governments have announced intentions to regulate greenhouse gas emissions and other air pollutants. These regulations are in various phases of review, discussion or implementation in Canada. Uncertainties exist relating to the timing and effects of these proposed regulations. Additionally, lack of certainty regarding how any future federal legislation will harmonize with provincial regulations makes it difficult to accurately determine the cost estimate of climate change legislation compliance with certainty, including the effects of compliance with such initiatives on suppliers and service providers of Pine Cliff. Adverse impacts to the business of Pine Cliff if comprehensive greenhouse gas legislation is enacted in any jurisdiction in which Pine Cliff operates or conducts business, may include, but are not limited to: increased compliance costs; permitting delays and/or substantial costs to generate or purchase emission credits or allowances adding costs to the resources produced by Pine Cliff; and reduced demand for crude oil and certain refined products. Emission allowances or offset credits may not be available for acquisition by Pine Cliff or may not be available on an economic basis. Required emission reductions may not be technically or economically feasible to implement, in whole or in part, and failure to meet such emission reduction requirements or other compliance mechanisms may have a material adverse effect on Pine Cliff's business by resulting in, among other things, fines, permitting delays, penalties and the suspension of operations. Consequently, no assurances can be given that the effect of future federal climate change regulations will not be significant to Pine Cliff. Beyond existing legal requirements, the extent and magnitude of any adverse impacts of any of these additional programs cannot be reliably or accurately estimated at this time because specific legislative and regulatory requirements have not been finalized and uncertainty exists with respect to the additional measures being considered and the time frames for compliance.

Delay in Cash Receipts

In addition to the usual delays in payment by purchasers of oil and natural gas to the operators of Pine Cliff's properties, and by the operators to Pine Cliff, payments between any of such parties may also be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operator of expenses incurred in the operation of Pine Cliff's properties or the establishment by the operators of reserves for such expenses.

Impact of Future Capital Expenditures

The reserve value of Pine Cliff's properties, as estimated by independent engineering consultants, is based in part on cash flows to be generated in future years as a result of future capital expenditures. The reserve value of Pine Cliff's properties, as estimated by independent engineering consultants, will be reduced to the extent that such capital expenditures on such properties do not achieve the level of success assumed in such engineering reports.

Risks Relating to Hedging Activities

Any substantial and extended decline in the price of oil, NGLs or natural gas would have an adverse effect on the carrying value of Pine Cliff's proved and probable reserves, borrowing capacity, revenues, profitability and cash flows from operating activities. Pine Cliff may manage the risk associated with changes in commodity prices by entering into oil or natural gas price hedges. If Pine Cliff hedges its commodity price exposure, it may forego some of the benefits it would otherwise experience if commodity prices were to increase. In addition, commodity hedging activities could expose Pine Cliff to losses. To the extent Pine Cliff engages in risk management activities related to commodity prices, it will be subject to credit risks associated with counterparties with which it contracts. Pine Cliff continually evaluates the use of, and may employ derivative structures to hedge commodity, interest rate and foreign exchange risk. Risks associated with such products, include but are not limited to counterparty risk, settlement risk, basis risk, liquidity risk and market risk which could impair or negate the hedging strategy with a consequential negative impact on earnings and cash flow.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Pine Cliff and may delay exploration and development activities.

Expiration of Licences and Leases

Pine Cliff's properties are held in the form of licences and leases and working interests in licences and leases. If Pine Cliff or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of Pine Cliff's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on results of operations and business.

Permits and Licenses

The operations of Pine Cliff may require licenses and permits from various governmental authorities. There can be no assurance that Pine Cliff will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

Title to Properties

Although title reviews may be done according to industry standards prior to the purchase of certain oil and natural gas producing properties or the commencement of drilling wells as determined appropriate by management, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat a claim of Pine Cliff which could result in a reduction of the revenue received by Pine Cliff.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to resources and various properties in western Canada. Management is not aware that any claims have been made in respect of Pine Cliff's property or assets; however, a claim, if one arose in relation to any of Pine Cliff's lands, if successful, could have an adverse effect on the Corporation's operations.

Risks Related to the Mining Industry

Operational Risks

Mineral exploration and mining involves various types of risks and hazards, including: environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, seismic activity, flooding, fires, periodic interruptions due to inclement or hazardous weather conditions, variations in grade, deposit size, density and other geological problems, mechanical equipment performance problems, unavailability or significant changes in the costs of materials and equipment including fuel, labour force disruptions and unanticipated transportation costs.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, loss of key employees, environmental damage, delays in mining, increased production costs, monetary losses and possible legal liability.

Where considered practical to do so, Pine Cliff maintains insurance against risks in the operation of its business in amounts which it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. There can be no assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. Insurance against certain environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from production, is not generally available to Pine Cliff or to other companies within the mining industry. Pine Cliff may suffer a material adverse effect on its business if it incurs losses related to any significant events that are not covered by its insurance policies. Payment of such liabilities would reduce funds available for acquisition of mineral prospects or exploration and development and would have a material adverse effect on the financial position of Pine Cliff.

Exploration and Mining Risks

Exploration for minerals is highly speculative in nature, involves many risks and frequently is unsuccessful. Few properties that are explored are ultimately developed into producing mines. At present, none of Pine Cliff's properties have a known body of commercially producible commercial ore and all exploration programs are exploratory.

Among the many uncertainties inherent in any mineral exploration and development program are the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary regulatory permits and licenses and the construction of mining and processing facilities. In addition, substantial expenditures are required to pursue such exploration and development activities. Assuming discovery of an economic ore body, depending on the type of mining operation involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and during such time the economic feasibility of production may change. Accordingly, there can be no assurance that Pine Cliff's current exploration and development programs will result in any new economically viable mining operations or yield new reserves.

Title to Mining Assets

Pine Cliff cannot guarantee that title to its properties will not be challenged. Title insurance is generally not available for mineral properties and Pine Cliff's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Pine Cliff's mineral properties may be subject to prior registered or unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects and native land claims. A successful challenge to the validity of, or the precise area and location of, these claims could result in Pine Cliff being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties.

Availability of Drilling Equipment and Access

Mineral exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Pine Cliff and may delay exploration and development activities.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to resources and various properties. Management is not aware that any claims have been made in respect of Pine Cliff's property or assets; however, a claim, if one arose in relation to any of Pine Cliff's lands, if successful, could have an adverse effect on the Corporation's operations.

Environmental

Pine Cliff's exploration and production activities in Canada and the United States are subject to regulation by governmental agencies under various environmental laws. To the extent that Pine Cliff conducts exploration activities or undertakes new mining activities in other foreign countries, Pine Cliff will also be subject to environmental laws and regulations in those jurisdictions. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of Pine Cliff and may cause material changes or delays in Pine Cliff's intended activities. There can be no assurance that future changes in environmental regulations will not adversely affect Pine Cliff's business, and it is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of Pine Cliff's business, causing Pine Cliff to re-evaluate those activities at that time.

Pine Cliff cannot give any assurance that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition and its results from operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Pine Cliff's operations. Environmental hazards may exist on the properties on which Pine Cliff holds interests which are unknown to Pine Cliff at present. Environmental hazards or liabilities may also exist that have been caused by previous or existing owners or operators of the properties and for which Pine Cliff is not indemnified. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

Fluctuating Commodity Prices

Pine Cliff's future profitability and the viability of development depend upon the world market price of commodities, among other things. Prices fluctuate widely and are affected by numerous factors beyond Pine Cliff's control. The prices of metals are influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of gold and other metals by producers and speculators as well as other global or regional political, social or economic events. The supply of gold and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers. If the market price for gold or other metals and other commodities fall significantly, it could affect Pine Cliff's decision to proceed with further exploration activities.

Dependence on Permits and Licenses

Pine Cliff's current and anticipated future operations, including further exploration and development activities and commencement, expansion or continuation of future production on Pine Cliff's properties, require certain permits and licenses from various levels of governmental authorities. Pine Cliff may also be required to obtain certain property rights to access, or use, certain of its properties in order to proceed to development. There can be no assurance that all licenses, permits or property rights which Pine Cliff requires for the expansion and construction of mining facilities and the conduct of mining operations will be obtainable on reasonable terms or in a timely manner, or at all, that such terms may not be adversely changed, that required extensions will be granted or that the issuance of such licenses, permits or property rights will not be challenged by third parties. Delays in obtaining, or a failure to obtain, such licenses, permits or property rights or extensions thereto, challenges to the issuance of such licenses, permits or property rights, whether successful or unsuccessful, changes to the terms of such licenses, permits or property rights or a failure to comply with the terms of any such licenses, permits or property rights that Pine Cliff has obtained, could have a material adverse effect on Pine Cliff by delaying, preventing or making more expensive exploration, development and/or production of its mineral properties.

Failure to Develop Profitable Mining Operations

Decisions about the future development of Pine Cliff's mineral properties will ultimately be based upon feasibility studies. Scoping and feasibility studies derive estimates of cash operating costs based upon, among other things:

- anticipated tonnage, grades and metallurgical characteristics of the ore to be mined and processed;
- anticipated recovery rates of gold and other metals from the ore;
- cash operating costs of comparable facilities and equipment; and
- anticipated climatic conditions.

Capital and operating costs, production and economic returns, and other estimates contained in Pine Cliff's economic assessments, scoping studies and feasibility studies, if prepared, may differ significantly from those anticipated by Pine Cliff, and there can be no assurance that Pine Cliff's actual capital and operating costs will not be higher than anticipated. In addition, construction and operating delays may negatively impact the net present value and internal rates of return of Pine Cliff's mineral properties.

Competition

The mining industry is intensely competitive. Many companies and individuals are engaged in the mining business, including large, established mining companies with substantial capabilities. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where Pine Cliff contemplates conducting exploration activities. Pine Cliff may be at a competitive disadvantage in acquiring mining properties, as it must compete with these individuals and companies, many of which have greater financial resources and larger technical teams than Pine Cliff. Accordingly, there can be no assurance that Pine Cliff will be able to compete successfully for new mining properties. Pine Cliff may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Competition for exploration resources at all levels is intense, particularly affecting the availability of qualified manpower, drill rigs and helicopters. Increased competition could adversely affect Pine Cliff's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration.

Risk Factors Related to Pine Cliff Generally

Corporate

Pine Cliff is subject to many risks, all of which are common to such enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Pine Cliff will be successful in achieving a return on shareholders' investment and its likelihood of success must be considered in light of its early stage of operations. There can be no assurance that Pine Cliff will be able to obtain adequate financing in the future or that the terms of any financing obtained,will be favourable.

Substantial Capital Requirements and Liquidity

Pine Cliff may have to make substantial capital expenditures for the acquisition of, exploration for, development and production of its oil and natural gas and mining assets in the future. If revenues or reserves decline, Pine Cliff may have a limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Pine Cliff. Moreover, future activities may require Pine Cliff to alter its capitalization significantly. The inability of Pine Cliff to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for the Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of Pine Cliff.

Dividends

To date, Pine Cliff has not paid any dividends on its outstanding Common Shares and has no intention of so doing in the short-term.

Management of Growth

Pine Cliff has grown significantly in the past year and had reported average sales volumes of 4,787 BOE/d in 2013 as compared to 775 BOE/d in 2012. Pine Cliff expects to continue to grow the business which may subject the Corporation to further growth-related risks including capacity constraints and pressure on its internal systems and controls. To manage its growth effectively, Pine Cliff will be required to continue to implement and improve its operational and financial systems and to expand, train and manage its employee and consultant base. Any failure to implement cohesive management and operating systems, add or retain resources on a cost effective basis or properly manage its expansion could have a material adverse impact on its business, operations and prospects.

Failure to Realize Benefits of Acquisitions

Pine Cliff may complete acquisitions to strengthen its position in the oil and gas and mining industries and to create the opportunity to realize certain benefits including, among other things, potential cost savings. The acquisition of mining companies and assets is subject to substantial risks, including the failure to identify material problems during due diligence, the risk of over-paying for assets, and the inability to arrange financing for an acquisition as may be required or desired. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as Pine Cliff's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business and employee relationships that may adversely affect Pine Cliff's ability to achieve the anticipated benefits of these and future acquisitions.

Third Party Credit Risk

Pine Cliff is, or may be exposed to, third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Pine Cliff, such failures could have a material adverse effect on Pine Cliff and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Pine Cliff's ongoing capital program, potentially delaying the program and the results of such program until Pine Cliff finds a suitable alternative partner.

Canadian Tax Considerations

As Pine Cliff is engaged in the oil and natural gas and minerals industries, its operations are subject to certain unique provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and applicable provincial income tax legislation relating to characterization of costs incurred in their businesses which effects whether such costs are deductible and, if deductible, the rate at which they may be deducted for the purposes of calculating taxable income. Pine Cliff has reviewed its historical income tax returns with respect to the characterization of the costs incurred in the oil and natural gas business as well as other matters generally applicable to all corporations including the ability to offset future income against prior year losses. Pine Cliff has filed or will file all required income tax returns and believes that it is in full compliance with the provisions of the Tax Act and applicable provincial income tax legislation, but such returns are subject to reassessment. In the event of a successful reassessment of Pine Cliff, the Corporation may be subject to a higher than expected past or future income tax liability as well as potential interest and penalties and such amount could be material.

Refinancing Risk

Pine Cliff currently has a $40 million revolving demand credit facility with a Canadian chartered bank of which $0.2 million was drawn at December 31, 2013. Pine Cliff also has a $4.9 million letter of credit issued against its revolving term credit facility in connection with its limited liability rating in the Province of Saskatchewan. Repayments of principal are not required during the commitment term, provided that Pine Cliff remains compliant with all covenants under the credit agreement and does not exceed the authorized borrowing amount. The revolving demand credit facility matures on March 31, 2014 and if it is not renewed it will become payable in full on demand. There is also a risk that the credit facility will not be renewed for the same term or on the same terms. Any of these events could affect Pine Cliff's ability to fund ongoing operations.

Pine Cliff is required to comply with covenants under the credit facility. In the event that Pine Cliff does not comply with covenants under the credit facility, Pine Cliff's access to capital could be restricted or repayment could be required.

Issuance of Debt

From time to time, Pine Cliff may enter into transactions to acquire assets or shares of other companies. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards. Pine Cliff's articles and bylaws do not limit the amount of indebtedness it may incur. The level of Pine Cliff's indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis in order to take advantage of business opportunities that may arise.

Dilution

Common Shares, including rights, warrants, special warrants, stock options, subscription receipts and other securities to purchase, convert into or exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Pine Cliff Board may determine. In addition, Pine Cliff may issue additional Common Shares from time to time pursuant to the incentive stock options granted to directors, officers, employees and consultants of Pine Cliff. The issuance of these Common Shares could result in dilution to Shareholders.

Net Asset Value

Pine Cliff's net asset value will vary dependent upon a number of factors beyond the control of Pine Cliff's management, including oil, NGLs and natural gas prices.

Reliance on Management of Pine Cliff

Shareholders will be dependent on the management of Pine Cliff in respect of the administration and management of all matters relating to Pine Cliff and its properties and operations. Investors who are not willing to rely on the management of Pine Cliff should not invest in the Common Shares.

Failure to Maintain Listing of the Common Shares

The Common Shares are currently listed and posted for trading on the facilities of the TSX Venture Exchange (the "**TSXV**"). The failure of Pine Cliff to meet the applicable listing or other requirements of the TSXV in the future may result in the Common Shares ceasing to be listed and posted for trading on the TSXV, which would have a material adverse effect on the value of the Common Shares. There can be no assurance that the Common Shares will continue to be listed and posted for trading on the TSXV for the life of the Common Shares.

Structure of Pine Cliff

From time to time, Pine Cliff may take steps to organize its affairs in a manner that minimizes taxes and other expenses payable with respect to the operation of Pine Cliff and its subsidiaries. If the manner in which Pine Cliff structures its affairs is successfully challenged by taxation or other authority, Pine Cliff and Shareholders may be adversely affected.

Changes in Legislation

It is possible that the Canadian and US federal, provincial and/or state governments could choose to change the federal income tax laws, royalty regimes, environmental laws or other laws applicable to oil and gas or mining companies and that any such changes could materially adversely affect Pine Cliff, the Shareholders and the market value of the Common Shares.

Conflicts of Interest

Certain of the directors of Pine Cliff are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of Pine Cliff are required by law to act honestly and in good faith with a view to the best interests of Pine Cliff and to disclose any interest which they may have in any project or opportunity of Pine Cliff. If a conflict of interest arises at a meeting of the Pine Cliff Board, any director in a conflict situation will be required to disclose his or her interest and generally abstain from voting in connection with the matter giving rise to the conflict. In determining whether or not Pine Cliff will participate in any project or opportunity, its directors will primarily consider the degree of risk to which Pine Cliff may be exposed and its financial position at the relevant time.

DIVIDENDS

To date, Pine Cliff has not paid any dividends on its Common Shares, nor are there any restrictions on paying dividends. It is not anticipated that Pine Cliff will pay any dividends on its Common Shares in the near future. The Pine Cliff Board will determine the actual timing, payment and amount of dividends, if any, that may be paid from time to time based upon, among other things, cash flow, financial conditions, the need for funds to finance ongoing operations and other business considerations.

DESCRIPTION OF SHARE CAPITAL

General Description of Share Capital

Pine Cliff is authorized to issue an unlimited number of Common Shares without nominal or par value and an unlimited number of Class B shares (the "**Preferred Shares**"), issuable in series. A brief summary of the characteristics of the shares is set forth below. As of the date hereof, 201,057,759 Common Shares were issued and outstanding.

Common Shares

The Shareholders are entitled to receive notice of and to attend any meeting of the Shareholders of Pine Cliff and are entitled to one vote for each Common Share held (except at meetings at which only the holders of another class of shares are entitled to vote). The Shareholders are entitled to receive dividends, on a pro rata basis, if, as and when declared by the Pine Cliff Board and, subject to prior satisfaction of all preferential rights, to participate rateably in the net assets of Pine Cliff in the event of any liquidation, dissolution or winding-up of Pine Cliff, whether voluntary or involuntary, or other distribution of assets of Pine Cliff among Shareholders for the purpose of winding up its affairs.

Preferred Shares

The Preferred Shares may be issued in one or more series and the Pine Cliff Board may, by resolution, fix the number of shares in each series and determine the designation, rights, privileges, restrictions and conditions to be attached to shares of each series. The holders of the Preferred Shares are entitled to dividends as and when declared by the Pine Cliff Board, and to receive out of the net assets of Pine Cliff in the event of any liquidation, dissolution or winding-up of Pine Cliff, payment in full of the respective amounts which each holder of Preferred Shares is entitled, in preference and priority to any dividend or payment on the Common Shares.

MARKET FOR SECURITIES

The following table sets forth the reported high and low sales prices (which are not necessarily the closing prices) and the trading volumes for the Common Shares on the TSXV as reported by sources Pine Cliff believes to be reliable for the periods indicated:

	Price Range ($)		
Date	**High**	**Low**	**Trading Volume**
2013			
January	1.00	0.87	828,120
February	0.92	0.77	765,853
March	0.93	0.75	1,388,385
April	0.88	0.71	3,700,252
May	0.95	0.80	2,121,561
June	0.99	0.86	3,375,148
July	1.30	0.86	6,256,815
August	1.10	1.00	1,155,929
September	1.25	1.06	8,425,429
October	1.20	1.10	7,078,615
November	1.14	1.00	8,235,086
December	1.05	0.96	6,219,235
2014			
January	1.20	1.00	26,150,199
February	1.39	1.11	29,058,244
March 1 - 19	1.46	1.22	14,492,724

PRIOR SALES

The following table sets forth, for each class of securities of the Corporation that is outstanding but not listed or quoted on a marketplace, the price at which securities of the class have been issued during the financial year ended December 31, 2013 and the number of securities of the class issued at that price and the date on which the securities were issued.

Date of Issue	Securities	Price per Security	Number of Securities
January 30, 2013	Options	$0.92(1)	330,000
February 1, 2013	Options	$0.89(1)	20,000
March 1, 2013	Options	$0.81(1)	50,000
May 13, 2013	Options	$0.80(1)	120,000
May 15, 2013	Common Shares(4)	$0.38	45,000
June 5, 2013	Common Shares(4)	$0.38	20,000
June 19, 2013	Common Shares	$0.88	28,500,000(5)
July 8, 2013	Options	$0.95(1)	174,000
July 15, 2013	Options	$0.90(1)	600,000
July 22, 2013	Common Shares(4)	$0.38	6,000
July 22, 2013	Options	$1.06(1)	240,000
July 23, 2013	Common Shares(4)	$0.38	30,000
August 30, 2013	Options	$1.04(1)	330,000
September 3, 2013	Options	$1.07(1)	66,000
September 19, 2013	Common Shares(4)	$0.38	20,000
July 22, 2013	Options	$1.06(1)	240,000
July 23, 2013	Common Shares(4)	$0.38	30,000
August 30, 2013	Options	$1.04(1)	330,000
September 3, 2013	Options	$1.07(1)	66,000
September 19, 2013	Common Shares(4)	$0.38	20,000
October 17, 2013	Common Shares	$1.10	18,200,000(6)
October 22, 2013	Common Shares(4)	$0.38	20,000
October 22, 2013	Options	$1.15(1)	450,000
November 4, 2013	Options	$1.11(1)	300,000
November 13, 2013	Common Shares(4)	$0.65	20,000
November 14, 2013	Options	$1.12(1)	2,588,000

Notes:

(1) Represents the exercise price per Option.
(2) Represents the Common Shares issued to shareholders of Geomark in connection with the Geomark Arrangement, at a deemed price of $0.74, representing the closing price of the Common Shares on the TSXV on October 19, 2012.
(3) Represents the Common Shares issued pursuant to a private placement.
(4) Represents Common Shares issued pursuant to the exercise of previously granted Options.
(5) Represents Common Shares issued pursuant to the short form prospectus of Pine Cliff dated June 11, 2013.
(6) Represents Common Shares issued pursuant to the short form prospectus of Pine Cliff dated October 9, 2013.
(7) The dollar amounts presented in the table above have been rounded up or down, as applicable, to the nearest thousand dollar.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of the directors and executive officers of Pine Cliff, none of the securities of Pine Cliff are held in escrow or are subject to a contractual restriction on transfer as at the date hereof.

DIRECTORS AND OFFICERS

The following table lists the names of the directors and officers of Pine Cliff, their province and country of residence, their positions and offices with Pine Cliff and their principal occupations. All directors have been elected to serve as such until Pine Cliff's next annual meeting of Shareholders, or until their successor is duly elected, unless their office is vacated earlier in accordance with the by-laws of Pine Cliff or applicable law.

Name, Province and Country of Residence	Positions and Offices with the Corporation	Principal Occupation During the Past Five Years
Kristi L. Barr Alberta, Canada	Vice President Finance and Controller	Vice President Finance and Controller of Pine Cliff since January 2014 and prior thereto its Controller since April 2012. Prior thereto, from September 2011 to March 2012, Controller of North American Oil Trust, a private oil and gas company; from December 2010 to June 2011, Controller of Orion Oil & Gas Corporation, a public oil and gas company; and from September 2007 to January 2010, Manager of Financial Reporting of TransGlobe Energy Ltd., a public oil and gas company.
Gary J. Drummond(1) Nassau, Bahamas	Director since 2004	Mr. Drummond is a private investor and a director of Bonterra, a resource company.
George F. Fink Alberta, Canada	Executive Chairman; Director since 2004	Chairman, Chief Executive Officer and Director of Bonterra and Executive Chairman of the Pine Cliff Board, each of which are resource companies. Mr. Fink is also a director of Raging River Exploration Inc., a public company.
Philip B. Hodge Alberta, Canada	President and Chief Executive Officer; Director since 2011	President and Chief Executive Officer of Pine Cliff since January 2012. Previously Vice President, Business Development, Penn West Exploration; Vice President, Acquisitions and Divestments, Penn West Energy (since 2010); Managing Director, Corporate Finance, Mackie Research Capital Corporation; Managing Director, Corporate Finance, J. F. Mackie & Company Ltd. (since 2006). Mr. Hodge is also a director of Westport Innovations Inc., a public company.
Randy M. Jarock Alberta, Canada	Director since 2012	Chief Operating Officer of Pine Cliff from 2005 to June 2012. Mr. Jarock was the President of Bonterra from 2008 to June 2012 and prior thereto its Chief Operating Officer since 2005. Mr. Jarock is also a director of Bonterra.
Carl R. Jonsson(1) Alberta, Canada	Director since 2004	Principal of the Vancouver law firm of Tupper, Jonsson & Yeadon. Mr. Jonsson is a director of Bonterra, Pine Cliff, Comet Industries Ltd., Astorius Resources Ltd., Acrex Ventures Ltd., DV Resources Ltd. and Alita Resources Ltd.
Robb D. Thompson Alberta, Canada	Chief Financial Officer and Secretary	Chief Financial Officer and Secretary of Pine Cliff and Bonterra, each of which are resource companies. Prior thereto, from February 2008 to October 2010, Chief Financial Officer of Sonde Resources Corp., a public oil and gas company; from January 2007 to January 2008, Chief Financial Officer of Berkana Energy Inc., a public oil and gas company; and from September 2000 to December 2006, Chief Executive Officer of Dynetek Industries Ltd., a public alternative energy company.
F. William Woodward(1) Alberta, Canada	Director since 2004	Mr. Woodward is a private investor and a director of Bonterra, a resource company.

Note:
(1) Member of the Audit Committee.

As at the date hereof, the directors and officers of the Corporation, as a group, owned directly or indirectly 36,933,578 Common Shares or approximately 18.4% (20.8% on a fully diluted basis) of the issued and outstanding Common Shares. The information as to the number of Common Shares beneficially owned has been furnished by the respective directors and officers of the Corporation.

Cease Trade Orders

Other than as set out below, to the best of Pine Cliff's knowledge, no director or executive officer is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any corporation (including the Corporation) that: (i) while that person was acting in that capacity, was subject to a cease trade or similar order or an order that denied such corporation access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) was subject to a cease trade or similar order or an order that denied such corporation access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Mr. Jonsson was previously a director and officer of two companies which were subject to cease trade orders issued by certain provincial securities regulators for failure to file financial statements. Specifically, a cease trade order was issued in respect of TelcoPlus Enterprises Inc. on July 18, 2003 and was revoked on January 26, 2005. A cease trade order was issued with respect to Global Net Entertainment Corp. on October 23, 2003 which was subsequently revoked.

Bankruptcies

Other than as set forth below, to the best of Pine Cliff's knowledge, no director or executive officer of the Corporation, or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (i) is, as at the date of this Annual Information Form, or has been within the past 10 years, a director or executive officer of any corporation (including the Corporation) that while the 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 (ii) has, within the past 10 years before the date of this Annual Information Form become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Drummond is a trustee of Heating Oil Partners Income Fund (the "**Fund**"), a Canadian income fund that distributes heating oil in the United States. On September 26, 2005, the Fund's operating subsidiary Heating Oil Partners, L.P. filed a voluntary petition for reorganization under Chapter 11 of the United States Bankruptcy Code and filed for recognition of the Chapter 11 proceedings under the CCAA. As a consequence of these filings, the Fund's trust units were suspended from listing on the Toronto Stock Exchange effective at the close of business on October 6, 2005 and were subsequently delisted on November 7, 2005.

Mr. Thompson was the Chief Financial Officer of Sonde Resources Corp. ("**Sonde**", formerly Canadian Superior Energy Inc.) when the issuer sought creditor protection under the CCAA. All executive positions at Sonde, other than the Chief Financial Officer and Vice President, Western Canada, were vacated in connection with the application for CCAA protection. Mr. Thompson maintained his employment with the company throughout the CCAA process. Ultimately, Sonde was able to repay its creditors in full, with interest, and it exited CCAA protection in October 2009.

Penalties or Sanctions

To the best of Pine Cliff's knowledge, no director or executive officer of the Corporation, or shareholder of the Corporation holding sufficient securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

CONFLICTS OF INTEREST

Pine Cliff's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which Pine Cliff may participate, the directors of Pine Cliff may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of Pine Cliff's directors, a director who has such a conflict will generally abstain from voting for or against the approval of such participation or the terms of such participation. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, the involvement in a greater number of programs or a reduction in financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of Canada, the directors of Pine Cliff are required to act honestly, in good faith and in the best interests of Pine Cliff. In determining whether or not Pine Cliff will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which Pine Cliff may be exposed and the financial position at that time.

The directors and officers of Pine Cliff are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interest and Pine Cliff will rely upon such laws in respect of any directors and officers conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the ABCA and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed above, the directors and officers of Pine Cliff are not aware of any such conflicts of interest in any existing or contemplated contracts with or transactions involving Pine Cliff.

LEGAL PROCEEDINGS

To the knowledge of the Corporation, there are no legal proceedings material to the Corporation to which the Corporation is or was a party to or of which any of its properties is or was the subject of, during the two most recently completed financial years nor are there any such proceedings known to the Corporation to be contemplated, which involve a claim for damages, exclusive of interest and costs, that may exceed 10% of the current assets of the Corporation.

REGULATORY ACTIONS

To the knowledge of the Corporation, there were no: (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the Corporation's two most recently completed financial years; (ii) penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the two most recently completed financial years.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set out herein, management is not aware of any material interests, direct or indirect, of any directors or executive officers of the Corporation, any person or company which beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the last three financial years of the Corporation, or during the current financial year which has materially affected or is reasonably expected to materially affect the Corporation.

Mr. Fink, Pine Cliff's Executive Chairman and major shareholder, loaned Pine Cliff $7.0 million on February 28, 2012. The loan bore interest at 5% per annum and was repaid on October 31, 2012.

At the time of the Geomark Transaction, certain directors of Geomark (Messrs. Drummond, Fink, Jonsson and Woodward) were also directors of Pine Cliff. In addition, Mr. Fink was the Chairman and Chief Executive Officer of Geomark and the Executive Chairman of Pine Cliff and Mr. Thompson was the Chief Financial Officer and Secretary of both Geomark and Pine Cliff. In aggregate, these individuals owned 13.65% of the common shares of Geomark and 28.25% of the Common Shares prior to the Geomark Arrangement.

Geomark had a loan receivable from Bonterra, a related party, during 2012 that was repaid on November 9, 2012. All of the directors of Bonterra are directors of Pine Cliff, Mr. Fink is the Chief Executive Officer of Bonterra and the Executive Chairman of Pine Cliff and Mr. Thompson is the Chief Financial Officer and Secretary for both Bonterra and Pine Cliff.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of Pine Cliff is Olympia Trust Company at its principal office in Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the material contracts entered into by Pine Cliff since the beginning of the two most recently completed financial years and still in effect as at the date hereof that can be reasonably regarded as presently material are: the management services contract with Bonterra; the revolving demand credit facility dated March 1, 2012 and amended August 30, 2013 between Pine Cliff and a Canadian chartered bank; the purchase and sale agreement with regards to the purchase of the Carrot Creek Assets dated February 9, 2012; the Geomark Arrangement dated September 6, 2012, as amended and restated on October 15, 2012; the assignment agreement dated November 9, 2012 whereby Pine Cliff purchased the outstanding indebtedness and liabilities owing to a financial institution by Skope and all of the security documents granted to Skope by it; and the settlement agreement dated November 19, 2012 between Pine Cliff, the Skope Entities and Full Cycle.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by Pine Cliff during, or related to, the two most recently completed financial years other than McDaniel, Pine Cliff's independent qualified reserves evaluator and Deloitte LLP, Chartered Accountants, Pine Cliff's auditor. None of the designated professionals of McDaniel had any registered or beneficial interests, direct or indirect, in any securities or other property of Pine Cliff or of Pine Cliff's associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter or to be received by them. Deloitte LLP have advised that they are independent with respect to Pine Cliff within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's Common Shares and options to purchase Common Shares, is contained in the Corporation's management information circular relating to its most recent annual meeting of Shareholders of the Corporation held on May 17, 2012. Additional financial information is provided in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2012, which may be found on SEDAR at www.sedar.com.

Additional copies of this Annual Information Form, the materials listed in the preceding paragraph, and any interim financial statements which have been issued by the Corporation will be available upon request by contacting the Corporation at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta T2R 1J4, Telephone: (403) 269-2289.

APPENDIX "A"

FORM 51-101F2
REPORT ON RESERVES DATA
BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR

February 10, 2014

Pine Cliff Energy Ltd.
850, 1015 - 4th Street SW
Calgary, Alberta
T2R 1J4

Attention: The Board of Directors of Pine Cliff Energy Ltd.

Re: **Form 51-101F2**
Report on Reserves Data by an Independent Qualified Reserves Evaluator of Pine Cliff Energy Ltd. (the "Company")

To the Board of Directors of Pine Cliff Energy Ltd. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2013. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013 estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us, for the year ended December 31, 2013, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management:

		Net Present Value of Future Net Revenue $M (before income taxes, 10% discount rate)			
Preparation Date of Evaluation Report	**Location of Reserves**	**Audited**	**Evaluated**	**Reviewed**	**Total**
February 10, 2014	Canada	-	134,421	-	134,421

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our report referred to in paragraph 4 for events and circumstances occurring after the preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

(Signed) "P. A. Welch"
P. A. Welch, P. Eng.
President & Managing Director

Calgary, Alberta
February 10, 2014

APPENDIX "B"

FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

Report of Management and Directors On Reserves Data and Other Information

Management of Pine Cliff Energy Ltd. (the "**Company**") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors of the Company has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

(Signed) "Philip B. Hodge"
Philip B. Hodge, Chief Executive Officer

(Signed) "Robb D. Thompson"
Robb D. Thompson, Chief Financial Officer

(Signed) "George F. Fink"
George F. Fink, Director

(Signed) "Carl R. Jonsson"
Carl R. Jonsson, Director

March 20, 2014