

**PETROX RESOURCES CORP.
(FORMERLY PETROX CAPITAL CORPORATION)**

AMENDED AND RESTATED

**FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

The following discussion and analysis should be read in conjunction with the financial statements of the Corporation for the year ended December 31, 2015 and all of the notes, risk factors and information contained therein.

Amended and Restated

This MD&A has been amended to include Corporate Governance and Audit Committee disclosure pursuant to Sections 2.2(s) and 6.2(s) of National Instrument 58-101, but is otherwise unchanged.

Date

This Amended and Restated Management Discussion & Analysis ("MD&A") is dated June 3, 2016 and is in respect of the year ended December 31, 2015.

Overall Performance

Petrox Resources Corp. ("Petrox" or the "Corporation") was incorporated under the *Business Corporations Act* (Alberta) on February 25, 2011. On December 29, 2011, Petrox completed its initial public offering of 3,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$300,000, and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("Exchange").

On May 31, 2012, the Corporation completed its Qualifying Transaction ("QT"), consisting of the acquisition ("Acquisition") of certain oil and gas assets (the "Richfield Assets") from Richfield Oils Inc. Pursuant to the Acquisition, Petrox acquired the Richfield Assets from Richfield, in exchange for which the Corporation issued to Richfield an aggregate of 3,000,000 common shares in the capital of the Corporation at a deemed price of \$0.25 per common share for a total deemed price of \$750,000.

On May 31, 2012, concurrently with the closing of the QT, the Corporation closed a Short Form Offering Document Financing (the "SFOD Financing") and issued 2,379,400 common shares at a price of \$0.25 per common share for gross proceeds of \$594,850. In addition, on May 31, 2012, the Corporation closed a Bought Deal Financing and issued 3,857,000 units of Petrox (each, a "Unit") at a price of \$0.25 per Unit for gross proceeds of \$964,250. Each Unit consists of one common share and one-half of one common share purchase warrant of Petrox, with each whole warrant ("Warrant") entitling the holder to subscribe for one additional common share at a price of \$0.40 for a period of 36 months from the date of closing.

On July 30, 2012, the Corporation completed the acquisition of 9.125 sections of land located in the Battle and Halkirk areas of Alberta from Richfield Oil Inc. and Arenal Resources Ltd. in exchange for an aggregate of 2,500,000 common shares, at a deemed price of \$0.19 per common share, and cash of \$250,000, for an aggregate deemed purchase price of \$725,000.

On October 22, 2012, the Corporation announced the acquisition of an additional 7.5 sections of 100% working interest in Petroleum and Natural Gas Leases located in the Halkirk area of Central Alberta (Townships 43, 44 and Ranges 15, 16 W4M). The additional leases are comprised of 7.0 sections acquired at the September 5, 2012 Crown land sale and 0.5 section of Freehold land.

On March 6, 2013, the Corporation acquired an additional 16 sections of 100% working interest in Petroleum and Natural Gas Leases located in the Halkirk area of Central Alberta (Townships 43, 44, 45 and Ranges 15, 16, 17 West 4M) at a Crown land sale for a cash consideration of \$283,321. With the acquisition of these additional 16 sections, Petrox has now assembled 32.625 sections of 100% working interest lands in the emerging Viking light oil fairway in the Halkirk and Battle areas of Central Alberta.

Effective on April 8, 2013, Petrox acquired an additional 2.125 Freehold sections 100% working interest in the Halkirk area, bringing total Petrox lands in the Halkirk/Battle area to 34.75 sections 100% working interest.

On October 22, 2013, the Corporation closed a non-brokered private placement (the "Offering") and issued 36,500,000 units in the capital of Petrox for gross proceeds of \$3,306,295. Each unit consists of one common share in the capital of Petrox ("Common Share") and one warrant ("Warrant"), with 50% of the Warrants entitling the holder thereof to purchase one additional Common Share for a period of 12 months at an exercise price of \$0.20, and the remaining 50% of the Warrants entitling the holder thereof to purchase one additional Common Share for the following 12 months at an exercise price of \$0.25. A total of 2,129,446 of the units consist of Common Shares issued on a tax flow-through basis and Warrants on a non-tax flow-through basis at \$0.09 per unit and 34,370,554 of the units consist of Warrants and Common Shares issued on a non-tax flow-through basis and \$0.10 per unit.

In November 2013, the company drilled a vertical Viking core hole test well at 02-01-44-16W4 on its 100 percent owned Strome property in east central Alberta. The Company was encouraged that certain portions of the Viking core contain reservoir quality oil-bearing sandstones. However, the technical interpretation of this core at the time did not support the drilling of the two planned horizontal wells adjacent to the core hole well at the time.

On June 2, 2014, the Corporation announced that it has now completed the acquisition of certain oil and gas properties located in the Fletwode area of Saskatchewan ("Fletwode Properties") for \$2,100,000. These properties include six oil producing wells with a combined producing rate of approximately 40 barrels per day and a total proven plus probable reserve of 166,000 barrels.

On June 19, 2014, the Corporation announced that it has entered into a co-operation framework agreement with Qingdao Sinoenergy Corporation of China ("Qingdao Sinoenergy") and Asiafic Clean Energy Limited of Hong Kong ("Asiafic") to establish an Alberta joint venture company, Gascana AB Energy Ltd. ("Gascana AB"), with the objective of which will be the construction of a LNG liquefaction plant in Alberta with a daily production capacity of 2,950 tonnes (150 MMCF). Asiafic is a wholly owned subsidiary of Qingdao Sinoenergy. Initially, the Corporation was supposed to have a 10% equity interest in the joint venture and to be responsible for the implementation of the project, including obtaining the necessary regulatory approvals, etc. for the construction of the LNG plant. Since entering into the agreement, there hasn't been much development on this project. It is expected that the Corporation will not be involved in this project anymore in the future.

On July 8, 2014, the Corporation announced that it has entered into a highly conditional and non-binding letter of intent pursuant to which the parties have set out the basis upon which they will negotiate exclusively until September 2, 2014 with a view to reaching acceptable terms of a binding agreement pursuant to which Petrox hopes to acquire certain producing properties in Alberta for a purchase price of

\$77,500,000. According to a report prepared for the vendor by its independent qualified reserve evaluator, GLJ Petroleum Consultants Ltd., dated December 31, 2013, the properties were sweet, liquid rich gas producing properties producing as of March 31, 2014 approximately 1,376 BOE per day, consisting of 5,500 Mcf/d gas and 460 bbl/d of liquids.

On July 21, 2014, the Corporation announced that it has entered into a conditional and non-binding letter of intent (“LOI”) which contemplates an arm’s length business combination (the “Transaction”) with a private entity from the People’s Republic of China (“Private Entity”). It was concurrently contemplated that the Transaction will involve the acquisition of all of the issued and outstanding common shares of Petrox (“Petrox Shares”) at a price of \$0.30 per share. Upon completion of the Transaction, it is expected that the Petrox Shares will be delisted from the TSX Venture Exchange. The target closing date for the proposed Transaction was supposedly in the fall of 2014.

On September 3, 2014, the Corporation announced that the Private Entity has assigned all of its rights and obligations under the LOI to its majority shareholder, a company based in Shanghai, China (the “Shanghai Company”). With this assignment, the target date for entering into a definitive agreement for the Transaction has been amended to October 9, 2014 and the target closing date has been amended to November 29, 2014. Subsequently, the target date for entering into a definitive agreement for the Transaction has been amended to November 30, 2014.

On October 24, 2014, the Corporation announced that the letter of intent for the purchase of producing properties in Alberta originally announced on July 8, 2014 has expired. Petrox intended to continue its search for viable producing oil and gas properties for potential acquisition. Meanwhile, Petrox’s discussions to complete an arm’s length business combination with the Shanghai Company were ongoing.

On November 14, 2014, the Corporation announced, further to its press releases dated July 18, 2014 and September 3, 2014, that it has signed an amalgamation agreement dated November 14, 2014 (the “Amalgamation Agreement”) with Shanghai Sinooil Energy Holding Corporation (“Shanghai Energy”), which will form the basis upon which Petrox and Shanghai Energy will combine their businesses (the “Amalgamation”). This is an arm’s length transaction.

On September 1, 2015, the Corporation announced that the amalgamation agreement providing for the proposed amalgamation transaction between the Corporation and Shanghai Sinooil Energy Holding Corporation has expired and was then terminated. The termination of this proposed amalgamation was due to a number of factors, including the substantial drop in the oil price and the volatility of the oil market since the fall of 2014.

Selected Financial Information

A summary of selected financial information is as follows:

	As at December 31, 2015	As at December 31, 2014
Total assets	\$3,996,139	\$5,140,710
Long-term financial liabilities	\$334,633	\$316,418
Total shareholders' equity	\$3,586,962	\$4,734,872
	Year Ended December 31, 2015	Year Ended December 31, 2014
Revenue	\$542,534	\$574,710
Net comprehensive loss	(\$1,147,910)	(555,702)
Income (loss) per share – basic and diluted	(\$0.021)	(\$0.010)

For the year ended December 31, 2015, the Corporation reported no discontinued operations, no changes in accounting policy and declared no cash dividends.

Summary of Quarterly Results

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3 ⁽¹⁾	Q2 ⁽¹⁾	Q1
Financial								
Sales Revenue (000s)	\$138	\$140	\$183	\$115	\$227	\$309	\$80	N/A
Sales Volume (boe's)	2,860	2,730	2,985	2,364	3,170	3,304	772	N/A
Net Income/Loss (000s)	(\$877)	(\$142)	(\$38)	(\$91)	(\$289)	\$25	(\$52)	(\$240)
Income/Loss per Share								
Basic	(\$0.016)	(\$0.003)	(\$0.001)	(\$0.002)	(\$0.005)	\$0.000	(\$0.001)	(\$0.004)
Diluted	(\$0.016)	(\$0.003)	(\$0.001)	(\$0.002)	(\$0.005)	\$0.000	(\$0.001)	(\$0.004)

1. The Corporation acquired the Fletwode properties in Saskatchewan with an effective date of April 1, 2014. This acquisition was closed on May 31, 2014. Based on IFRS, the acquisition date for this acquisition is considered as May 31, 2014. As a result, the figures for the production revenue, net income or loss and income or loss per share have been updated based on year-end adjustments.

	2015				2014			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Operations								
Production Volume (boe's)	2,775	2,643	2,709	2,788	3,038	3,180	1,030	N/A
Average Price (/bbl)	\$48.12	\$51.13	\$61.30	\$48.72	\$71.61	\$93.54	\$103.84	N/A
Royalty (/bbl)	\$2.35	\$4.69	\$2.69	\$2.36	\$4.45	\$6.81	\$6.33	N/A
Operating Cost (/bbl)	\$47.50	\$48.59	\$23.65	\$20.48	\$28.21	\$25.41	\$22.61	N/A
Netback (/bbl)	(\$1.73)	\$2.15	\$34.95	\$25.88	\$38.95	\$61.32	\$74.90	N/A

For the above noted periods, the Corporation reported no discontinued operations or extraordinary items.

Results of Operations

Production

For the year ended December 31, 2015, the Corporation recorded a total production of 10,909 barrels compared to 7,248 barrels for the seven month period from June to December in 2014 and an average daily production of 30 boe/d compared to 34 boe/d in 2014 from its only production property in Fletwode, Saskatchewan. The decrease in daily production was primarily due to the natural decline of the properties.

Sales Revenue

For the year ended December 31, 2015, the Corporation recorded sales revenue before royalty payment of \$575,345 compared to sales revenue of \$616,375 for the seven month period from June to December in 2014. The decrease in sales revenue is attributable to the substantial decrease of oil price. In 2015, the Corporation received an average sale price of \$52.79 per barrel comparing to \$90.65 per barrel in 2014.

Royalties

For the year ended December 31, 2015, the Corporation recorded total royalties of \$32,810, representing 6 percent of revenue, compared to \$37,883 for seven month period from June to December in 2014.

Operating Expenses

For the year ended December 31, 2015, the Corporation incurred operating expenses totalling \$390,244 compared to \$200,751 in 2014. The operating expenses in 2015 were for a full year of operation whereas the expenses in 2014 were for seven months only.

Operating Netback

	Year Ended December 31, 2015
\$/boe	
Average Sales price	\$52.79
Royalties	(\$3.01)
Operating expenses	(\$34.96)
Operating netback	\$14.81

General and Administrative Expenses

For year ended December 31, 2015, the Corporation's general and administrative expenses were \$323,090 compared to \$603,166 in 2014. The reduction is primarily due to the reduction in payroll expenses of \$152,606, legal expenses of \$46,419, software licenses expenses of \$34,090 and rental expense of \$17,243.

Depletion and Depreciation

For the year ended December 31, 2015, the Corporation incurred \$290,158 or \$26.60 per boe in depletion and depreciation expense compared to \$190,281 in 2014. The increase is primarily due to the expiration of a number of land leases.

Cash Flow

For year ended December 31, 2015, the Corporation incurred a cash deficit from operations of \$242,781 compared to a cash deficit from operations of \$2,562,448 in 2014. The decrease of cash deficit from operations was primarily due to the decrease investment activities. The Corporation invested \$1,986,677 to acquire Fletwode properties in Saskatchewan in 2014.

Net Loss

For year ended December 31, 2015, the Corporation had a net loss of \$1,147,910 compared to a net loss of \$555,702 in 2014. The increase in net loss was primarily due to the charge of impairment of assets in the amount of \$685,013 in 2015.

Liquidity

As at December 31, 2015, the Corporation had working capital of \$469,725, comprised of cash or cash equivalents, deemed sufficient for the Corporation to meet its ongoing obligations in the coming year.

Related Party Transactions

The following tables summarize the remuneration of directors and of other members of key management personnel during the year ended December 31, 2015 and 2014:

	Year ended December 31, 2015	Year ended December 31, 2014
Consulting fees	\$ 124,000	\$ 124,000

Basis of Preparation and Statement of Compliance

The financial statements of the Corporation have been prepared using the historical cost convention and are in accordance and compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee (IFRIC").

Changes in Accounting Policies

See Notes 3 to 4 in the financial statements for the year ended December 31, 2015.

Off-Balance Sheet Arrangements

The Corporation has not engaged in any off-balance sheet arrangements.

Financial Instruments

The Corporation's financial instruments consist of cash, trade and other receivables, goods and services tax recoverable, and trade and other payables. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Disclosure of Outstanding Share Data

As at December 31, 2015 and the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities issued by the Corporation:

	Authorized	Outstanding
Voting or equity securities issued and outstanding	Unlimited Common Shares	55,132,258 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Stock options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 1,381,800 Common Shares
Securities convertible or exercisable into voting or equity securities – agent's options	Unlimited	Nil
Securities convertible or exercisable into voting or equity securities – warrants	Warrants to acquire up to 38,546,055 common shares	Nil

Risks and Uncertainties

External financing will be required to fund the Corporation's activities primarily through the issuance of common shares. There can be no assurance that the Corporation will be able to obtain adequate financing. The securities of the Corporation should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities.

The Corporation has no meaningful revenues and does not expect to have any meaningful revenues in the near future. In the event that the Corporation generates any meaningful revenues in the future, the Corporation intends to retain its earnings in order to finance further growth. Furthermore, the Corporation has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

Outlook

Since completing the acquisition of the Fletwode Properties in Saskatchewan in May, 2014, the Corporation has experienced significant improvement in its financial performance. The Corporation did not complete the amalgamation transaction with Shanghai Sinooil Energy Holding Corporation on the proposed closing date of June 30, 2015 as expected, and the proposed amalgamation agreement has expired and was terminated. Since then the Corporation has begun to seek and evaluate other opportunities.

Forward Looking Statements

This MD&A and other public announcements by the Corporation may contain information that is forward looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Corporation's future financial performance, business strategy, plans, goals, and objectives. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. In particular, forward-looking statements included in this MD&A include, but are not limited to, the focus of capital expenditures; expectations regarding the ability to raise capital; Petrox's future plans, operations and objectives; the completion and use of proceeds of the Financing; timing of adoption and implementation of new accounting policies and timing of the payment of dividends.

These statements involve known and unknown risks, uncertainties and other factors that could cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, among other things: the ability of the Corporation to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits; changes to the laws, rules, and regulations applicable to the Corporation; unavailability of financing; changes in government regulation; general economic conditions; general business conditions; escalating professional fees; escalating transaction costs; stock market volatility and ability to access sufficient capital from internal and external sources; inability to meet or continue to meet listing requirements; the inability to obtain required consents, permits or approvals, failure to realize the anticipated benefits of the QT and the risk that actual results will vary from the results forecasted and such variations may be material.

With respect to forward-looking statements contained in this MD&A, the Corporation has made assumptions regarding: timing and amount of capital expenditures; future exchange rates; conditions in general economic and financial markets; effects of regulation by governmental agencies and future operating costs.

Petrox's actual results, performance or achievement could differ materially from those expressed in or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Petrox will derive therefrom.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on the Corporation's future outlook and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The Corporation does not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as expressly required by applicable securities laws. Readers are cautioned not to place undue reliance on forward-looking statements, which are effective only as of the date of this MD&A or as of the date otherwise specifically indicated herein.

Corporate Governance

Please see the attached Schedule "A" for information on the Corporation's Corporate Governance (Form 58-101F2).

Audit Committee

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this MD&A as Schedule "B".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Alan P. Chan	-	Non-Independent*; Financially Literate*
Garry Lohuis	-	Independent*; Financially Literate*
Hui Yu	-	Independent*; Financially Literate*

* As defined by Multilateral Instrument 52-110 – Audit Committees ("MI 52-110").

Education and Experience

Alan Chan is a Director of the Corporation and currently serves as the Chief Financial Officer of the Corporation. Mr. Chan is a professional engineer and an entrepreneur. He graduated from the University of Saskatchewan with a Bachelor of Science Degree in 1973. Since graduation, he worked in a number of industries and held various senior technical and management positions. In 1994, he founded China Pacific Industrial Corp. to pursue joint venture projects in China, and subsequently established two joint ventures in China. Since the late 1990s, Mr. Chan has been involved in the establishment of a number of public companies and assisted them in completing a number of financings, mergers and acquisitions. Currently, he is a director, Chief Financial Officer and Secretary of Grand Power Logistics Group Inc., listed on the Exchange. He is also a director of Hunt Mining Corporation and Sunora Foods Ltd., listed on the Exchange.

Garry Lohuis is a Director of the Corporation. He graduated from the Montana College of Mineral Science and Technology in 1982 with a Bachelor of Science Degree in Petroleum Engineering. From 2009 to 2011, he was the President and Chief Executive Officer and a director of Lift Resources Inc., a private oil and gas company with operating assets in Alberta and Saskatchewan, until it was sold to Gear Energy Ltd. From 2006 to 2008, Mr. Lohuis was the President and Chief Executive Officer and a director of Athlone Energy Ltd., a public oil and gas issuer that was listed on the TSXV, which company was eventually sold to Daylight Resources Trust. From 1998 to 2005, Mr. Lohuis was the Vice President, Operations and a Director of Geocan Energy Inc., a public oil and gas issuer that was listed on the Toronto Stock Exchange until its subsequent sale to Arsenal Energy Inc.

Hui Yu is a Director of the Corporation. Mr. Yu graduated from Hunan Normal University with a Bachelor degree in 1989. Mr. Yu has been an entrepreneur in various industries in China from 1992 to 2010. Since 2011, he has become involved in the natural gas midstream distribution business in China as an advisor and investor.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (De Minimis Non-Audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees
2014	\$22,250	\$0	\$2,500	\$4,750
2015	\$31,200	\$3,500	\$2,500	\$0

Notes:

- (1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation's annual financial statements and services provided in connection with statutory and regulatory filings.
- (2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.
- (3) Represents fees incurred for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Corporation is exempt from Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of MI 52-110.

Additional Information

Additional Information regarding the Corporation can be found on the Corporation's filings at www.sedar.com.

SCHEDULE “A”

PETROX RESOURCES CORP.

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

1. **Board of Directors** — Disclose how the board of directors (the “Board”) facilitates its exercise of independent supervision over management, including

- (i) the identity of directors that are or, upon election, will be, independent, and

Yunyan Zheng, Hui Yu, and Garry Lohuis are the independent directors of the Corporation.

- (ii) the identity of directors who are not independent, and the basis for that determination.

Edwin S. L. Tam and Alan P. Chan are not independent as they are officers of the Corporation.

In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director’s exercise of independent judgment.

2. **Directorships** — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following current and proposed directors of the Corporation presently serve as directors of other reporting issuers as follows:

Name	Name of Reporting Issuer	Exchange or Market
Alan P. Chan	Hunt Mining Corp. (formerly Sinomar Capital Corp.)	TSXV
	Grand Power Logistics Group Inc.	TSXV
	Sunora Foods Ltd.	TSXV

3. **Orientation and Continuing Education** — Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the board takes to provide continuing education for directors.

The Corporation has not developed an official orientation or training program for new directors as required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.

4. **Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decision of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

5. **Nomination of Directors** — Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position on the Board, the Board requests that current Directors forward potential candidates for consideration.

6. **Compensation** — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation; and

The Board of Directors sets the compensation received by the directors and executive officers.

- (ii) the process of determining compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation, the objective being to set compensation levels to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders, while at the same time preserving cash flows. The Board of Directors will set the compensation so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

7. **Other Board Committees** — If the Board has standing committees other than the audit and compensation identify the committees and describe their function.

At present, the Board has no committees other than the audit committee.

8. **Assessments** — Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision making processes and the quality of information provided by management.

SCHEDULE “B”

PETROX RESOURCES CORP.

AUDIT COMMITTEE CHARTER

The Audit Committee shall:

- recommend to the board of directors the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- recommend to the board of directors the compensation of the external auditor;
- assume direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation’s external auditor;
- review the Corporation’s financial statements, Management Discussion & Analysis and annual and interim earnings press releases before the Corporation publicly discloses this information;
- be satisfied that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the disclosure stated immediately above and periodically assess the adequacy of those procedures;
- establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation