

LIONS GATE METALS INC.
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INFORMATION CIRCULAR
(as at May 31, 2013)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Lions Gate Metals Inc. (the “Corporation”) for use at the Annual General Meeting (the “Meeting”) of its shareholders to be held on July 11, 2013 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the “Corporation”, “we” and “our” refer to Lions Gate Metals Inc. “Common Shares” means common shares without par value in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

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

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

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter. Management is not currently aware of any other matter that could come before the Meeting.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Valiant Trust Company, by fax at (604) 681-3607, or by mail or hand delivery at Suite 600, 750 Cambie Street, Vancouver, British Columbia, V6B 0A2; or
- (b) using the internet through the website of Valiant Trust Company at www.valianttrust.com. Registered Shareholders who choose this option must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number;

in all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares).

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

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

If you are a Beneficial Shareholder:

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

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

and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.

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

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

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to **Valiant Trust Company or at the Corporation's office, Suite 490, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6**, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

Obtaining a Management Proxy Circular: Notice and Access

On February 11, 2013, regulatory amendments to securities laws adopted by the Canadian Securities Administrators governing the delivery of proxy related materials by public companies came into effect. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on a non-SEDAR website, rather than the mailing paper copies of the materials, which allows the Corporation to reduce its paper waster and mailing costs. The Corporation has decide to deliver the Meeting Materials to shareholders by posting the Meeting Materials on its' transfer agent, Valiant Trust Company's, website at http://www.valianttrust.com/securityholders/notice_and_access/meeting_materials.htm. The Meeting Materials will be available on the website as of June 5, 2013, and will remain on the website for one full year thereafter. The Meeting Materials will also be available under the Corporation's profile on SEDAR at www.sedar.com as of June 5, 2013. The Corporation has also sent to its shareholders a notice indicating how a shareholder can access the Meeting Materials and, if desired, obtain a paper copy of the Meeting Materials from the Corporation, which information has been built into the notice of meeting which has been filed with this Circular and mailed to the shareholders, along with the applicable voting document (a form of proxy in the case of Registered Shareholders or a voting instruction form in the case of Beneficial Shareholders).

In relation to the Meeting, all Shareholders will have received the required documentation under the notice-and-access procedures described above and all documents required to vote in respect of all matters to be voted on at the Meeting. Except for shareholders who have previously provided standing instructions, no shareholder will receive a

paper copy of the Circular from the Corporation or any Intermediary unless such Shareholder specifically requests same.

The Corporation does not intend to pay for delivery of materials to OBOs. As a result OBOs will not receive the materials unless the OBO's Intermediary assumes the cost of delivery.

Any Shareholder who wishes to receive a paper copy of this Circular must make contact with the Corporation's transfer agent, Valiant Trust Company at Suite 600, 750 Cambie Street, Vancouver, BC V6B 0A2, Phone: 1-866-313-1872, Fax: (604) 681-3067. In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a proxy or voting instruction form prior to the deadline for returning a proxy, it is strongly suggested that a Shareholder ensure their request is received no later than June 24, 2013.

All Shareholders may call 1-866-313-1872 (toll-free) in order to obtain additional information the Notice-and-Access Procedures or to obtain a paper copy of the Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

Interest of Certain Persons or Companies in Matters to Be Acted Upon

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors.

RECORD DATE AND QUORUM

The board of directors (the "**Board**") of the Corporation have fixed the record date for the Meeting at the close of business on May 31, 2013 (the "**Record Date**") for the determination of shareholders entitled to vote at the Meeting. Only shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

Under the Articles of the Corporation, the quorum for the transaction of business at the Meeting consists of one person who is a shareholder or who is otherwise permitted to vote shares of the Corporation at a meeting of shareholders pursuant to the Articles, present in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares. As of May 31, 2013, there were 28,147,826 Common Shares issued and outstanding, each carrying the right to one vote. Common Shares of the Corporation are listed on TSX Venture Exchange (the "**TSXV**").

As at May 31, 2013, to the knowledge of the directors and senior officers of the Corporation, and based on the Corporation's review of the records maintained by Valiant Trust Company, electronic filings with System for Electronic Document Analysis and Retrieval ("**SEDAR**") and insider reports filed with System for Electronic Disclosure by Insiders, the following persons owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation:

Name	Number of Voting Securities	Percentage
Resinco Capital Partners Inc.	4,590,937 ⁽¹⁾	16.31%

Note:

(1) John Icke, a Director of the Corporation, is CEO and a Director of Resinco Capital Partners Inc.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board of Directors (the “**Board**”), the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board of Directors will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Corporation’s Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Corporation’s Board requires management to provide complete and accurate information with respect to the Corporation’s activities and to provide relevant information concerning the industry in which the Corporation operates in order to identify and manage risks. The Corporation’s Board is responsible for monitoring the Corporation’s officers, who in turn are responsible for the maintenance of internal controls and management information systems.

Currently, the Corporation’s board has two independent members, being John Tapics, and John Icke. The Corporation has determined that Michael Sweatman and Arni Johannson are not independent members of the Corporation’s board as a result of having been members of management within the past three years.

Directorships

The following table sets forth the directors of the Corporation who currently hold directorships in other reporting issuers:

Name of Director	Other Issuer
Arni Johannson	Mega Uranium Ltd.
Michael Sweatman ⁽¹⁾	Brownstone Energy Inc. Mega Precious Metals Inc. Mega Uranium Ltd. Netco Silver Inc. Nevada Sunrise Gold Corp. Red Hut Metals Inc. Teslin River Resources Corp.
John Icke	Resinco Capital Partners Inc. Terreno Resources Inc. Teslin River Resources Corp. Woulfe Mining Corp.
John Tapics ⁽¹⁾	Compliance Energy Corporation Copper Mountain Mining Corporation

Note:

- (1) Will not be standing for re-election at the Meeting.

Orientation and Continuing Education

Each new director is informed of the nature of the Corporation's business, its corporate strategy and current issues within the Corporation. New directors also meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as a director of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies and is on the mailing list of the TSX Venture Exchange (the "TSXV") to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Corporation's Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the board in which the director has an interest have been sufficient to ensure that the board operates independently of management and in the best interests of the Corporation. Further, the Corporation's auditor has full and unrestricted access to the Audit Committee at all times to discuss the audit of the Corporation's financial statements and any related findings as to the integrity of the financial reporting process.

Nomination of Directors

The Corporation's Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Corporation's Board does not have a nominating committee, and these functions are currently performed by the Corporation's Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The following are the members of the Compensation Committee:

John Icke	Independent ⁽¹⁾
John Tapics ⁽²⁾	Independent ⁽¹⁾
Michael Sweatman ⁽²⁾	Not Independent ⁽¹⁾

Note:

- (1) As defined in NI 52-110.
(2) Will not be standing for re-election at the Meeting.

The function of the compensation committee is to review the compensation paid to the Corporation's executive officers and to the directors, to review the performance and compensation paid to the Corporation's executive officers and to make recommendations/report to the Board on compensation matters based on the criteria established in the guidelines provided in the Charter of the Compensation Committee. In addition, the Committee reviews the compensation plans for the Corporation's non-executive staff. The Committee met once during 2012. Please see

“Executive Compensation” below for additional information on how the Corporation determines compensation matters.

Other Board Committees

The Board has no other committees other than the Audit Committee and the Compensation Committee.

Assessments

The Corporation's Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Audit Committee Disclosure

Pursuant to section 224(1) of the *British Columbia Business Corporations Act*, the policies of the TSXV and National Instrument 52-110 Audit Committees (“**NI 52-110**”), the Corporation is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee Charter is attached as Appendix A.

Composition of the Audit Committee

The following are the members of the Audit Committee:

Michael Sweatman (Chair) ⁽²⁾	Not Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Tapics ⁽²⁾	Independent ⁽¹⁾	Financially literate ⁽¹⁾
John Icke	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

- (1) As defined in NI 52-110.
- (2) Will not be standing for re-election at the Meeting.

Relevant Education and Experience

Michael Sweatman possesses in excess of 25 years’ experience as a Chartered Accountant in public and private practice and has worked with and provided advice to many companies listed on the TSXV and Toronto Stock Exchanges. Mr. Sweatman was admitted to the Institute of Chartered Accountants of British Columbia in 1982 and in the Yukon in 1990. He has been the principal of Michael Sweatman Limited, Chartered Accountant, since 1999, as well as having been the owner-manager of MDS Management Ltd., a company that provides consulting services, since November 1992. Mr. Sweatman has also been a Director and/or Officer of various reporting companies.

John Tapics is currently CEO of Compliance Energy Corp., a company focused on the development of Coal assets on Vancouver Island, B.C. He also serves on The Board of Directors for Copper Mountain Mining Corporation. Copper Mountain is a large 5 billion lbs Copper project located in B.C., Canada. Mr. Tapics has sufficient industry experience to understand and analyze financial statements of the level and complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting.

John Icke has been the President of Resinco Capital Partners Inc. since January, 2008, and Chief Executive Officer since June, 2009. Mr. Icke has more than 25 years' global management experience in both the private and public sector, and has served on the audit committees of several TSXV-listed issuers.

Mr. Tapics and Mr. Sweatman are not standing for re-election as directors of the Corporation at the Meeting. The Corporation therefore intends to appoint new director candidates, Murray J. Oliver and William Filtness to the Audit Committee, subsequent to the Meeting.

Murray J. Oliver has a B.A. in economics and over 19 years' experience as a private consultant providing corporate finance, restructuring and shareholder communication services to both private and public companies. Mr. Oliver is considered Independent, as defined in NI 52-110.

William Filtness obtained his Chartered Accountant designation in 1980 while articling with Coopers & Lybrand's ("C&L") Vancouver office. In 1987 Mr. Filtness joined Aurizon Mines Ltd. (and related companies) where he spent fourteen years primarily working on the group's Chilean and Quebec mining projects. His responsibilities included developing and overseeing reporting systems for consolidating all of the group's domestic and foreign operations as well as developing financial models for use in strategic planning. Since 2003, Mr. Filtness has served as President of KCT Consulting Inc., which provides CFO consulting services to junior public resource companies. Mr. Filtness has been the Chief Financial Officer of various TSX and TSX Venture Exchange listed companies since 1988. Mr. Filtness is considered Independent, as defined in NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recent 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 NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Corporation is relying on the exemptions provided for in Section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of certain of its reporting obligations under NI 52-110.

External Auditor Service Fees (By Category)

Aggregate fees billed by the Corporation's External Auditor for the fiscal years ended December 31, 2012 and 2011 were as follows:

Financial Year Ended	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
2012	\$42,500	\$Nil	\$Nil	\$21,620
2011	\$42,500	\$8,000	\$3,983	\$22,044

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

EXECUTIVE COMPENSATION

Definitions

For the purpose of this information circular:

“CEO” of the Corporation means an individual who acted as Chief Executive Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” of the Corporation means an individual who acted as Chief Financial Officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

“Named Executive Officers or NEOs” means:

- (a) a CEO;
- (b) a CFO;
- (c) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000;
- (d) each individual who would be an NEO under (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The Compensation Committee is responsible for reviewing the Corporation’s executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation’s executive officers. The Board ensures that total compensation paid to its NEOs is fair and reasonable and is consistent with the Corporation’s compensation philosophy.

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Corporation’s compensation philosophy is to foster entrepreneurship at all levels of the organization by making long term equity-based incentives, through the granting of stock options, a significant component of executive compensation. This approach is based on the assumption that the performance of the Corporation’s common share price over the long term is an important indicator of long term performance.

The Corporation’s compensation philosophy is based on the following fundamental principles:

- (a) *Compensation programs align with shareholder interests* – the Corporation aligns the goals of executives with maximizing long term shareholder value;
- (b) *Performance sensitive* – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- (c) *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows:

- (a) to attract and retain highly qualified executive officers;
- (b) to align the interests of executive officers with shareholders' interests and with the execution of the Corporation's business strategy;
- (c) to evaluate executive performance on the basis of key measurements that correlate to long-term shareholder value; and
- (d) to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

With respect to forms of compensation, historically these have been comprised of fixed salaries, consulting fees and incentive stock options. The Corporation has not granted any other share-based awards, does not have any form of non-equity incentive plan, and does not have any form of pension plan. The Board has the discretion to pay bonuses to the executive officers, however, there is no formal bonus plan or other formal arrangements pursuant to which bonuses may be earned and the Corporation did not pay any bonuses to its executive officers in the financial year ended December 31, 2012.

The Corporation's process for determining executive compensation is done on a case by case basis and involves discussion by the Board of the factors the Board deems relevant to each case. There are no formally defined objectives, benchmarks criteria and analysis that are used in all cases.

Competitive Compensation

Aggregate compensation for each NEO is designed to be competitive, and the Board considers compensation practices of similarly situated companies in determining compensation policy. The Board may weigh a particular element of compensation more heavily than another based on the NEO's role within the Corporation, and is primarily focused on remaining competitive in the market with respect to total compensation.

In order to make decisions, the Board considers the compensation levels and programs of various companies that are similar in size to the Corporation and operate within the mineral exploration and development industry. These companies are used as the Corporation's primary peer group because they have similar business characteristics or because they compete with the Corporation for employees and investors. The Board also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels. The purpose of this process is to:

- (a) understand current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- (b) identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- (c) establish as a basis for developing salary adjustments and option based compensation for the Board's approval.

Aligning the Interests of the NEOs with the Interests of the Corporation's Shareholders

The Corporation believes that transparent and objective corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the NEOs.

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the 2012 financial year, the two basic components of executive officer compensation program were:

- (a) fixed salary or consulting fees; and
- (b) option-based compensation.

Fixed salary or consulting fees, as applicable, comprise the total cash-based compensation. Option-based compensation represents compensation that is “at risk” and thus may or may not be paid to the respective executive officer depending on the market performance of the Corporation’s Common Shares.

To date, no specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board considers each target and the Corporation’s performance and assigns compensation based on this assessment and the recommendations of the Board. In determining the total compensation of any NEO, the Board considers all elements of compensation in total rather than one element in isolation.

Base Salary or Fees

The Board approves the salary or fee ranges for the NEOs, as applicable. The base salary or fee review for each NEO is based on assessment of factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Corporation’s process for determining this component of an NEO’s compensation is done on a case by case basis and involves discussion by the Board of the factors the Board deems relevant to each case. There are no formally defined objectives, benchmarks criteria and analysis that are used in all cases.

During financial year ended December 31, 2012, the Corporation did not award any increases in base salary or fees of the NEOs in response to the subjective assessment of their respective performance, analysis of external market conditions and competitive needs to retain its qualified personnel.

Long Term Compensation

The Corporation has no long-term incentive plans other than its incentive stock option plan (the “Plan”). The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Board believes that the Plan aligns the interests of the NEOs with shareholders by linking a component of executive compensation to the longer term performance of the Corporation’s Common Shares.

Management recommends and the Board approves the option grants. In monitoring or adjusting the option allotments, the Board takes into account the level of options granted by similar companies for similar levels of responsibility and considers each NEO or employee based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the NEOs. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In addition, previous grant of options are taken into account when considering new grants.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- (a) the NEOs and others who are eligible to participate in the Plan;
- (b) the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of grant;
- (c) the date on which each option is granted;

- (d) the vesting period, if any, for each stock option;
- (e) the other material terms and conditions of each stock option grant; and
- (f) any re pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Plan. The board of directors reviews and approves grants of options on an as required basis, but no less frequently than annually.

All of the NEOs are eligible to participate in the Corporation's Stock Option Plan.

Perquisites and Personal Benefits

As a junior issuer, the Corporation takes a conservative approach to perquisites; however the Corporation's objective in awarding perquisites and other personal benefits is to grant NEOs competitive perquisites and benefits that allow them to focus on their daily responsibilities and the achievement of the Corporation's objectives. The process that the Corporation follows in determining when to award perquisites is ad hoc in nature, but generally is rare.

Termination and Change of Control Benefits

The Corporation has in the past had, and may implement in the future make, certain arrangements with its NEOs which provide for the payment of compensation and benefits to the NEOs on their termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities. The Corporation believes that these arrangements can be an important component of the overall compensation package it offers to its NEOs and from time to time may be necessary in order to attract and retain key executives. As with the other elements of compensation, when negotiating the termination and change of control arrangements, the Board considers all elements of compensation in total rather than one element in isolation.

Summary Compensation Table

In accordance with the provisions of applicable securities legislation, the Corporation had four "Named Executive Officers" during the financial year ended December 31, 2012, namely Arni Johannson (Chairman and Interim President and Chief Executive Officer), Michael Sweatman (Former Chief Financial Officer), David McAdam (former Chief Financial Officer) and Paul Sarjeant, (Former President and Chief Executive Officer and Chief Operating Officer)

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries during the three most recently completed financial years ended on or after December 31, 2012, December 31, 2011 and December 31, 2010 in respect of the Named Executive Officers. For the information concerning compensation related to previous years, please refer to the Corporation's previous Information Circulars available at www.sedar.com.

Summary Compensation Table

For Financial Years Ended December 31, 2012, 2011 and 2010

Neo Name and Principal Position	Year	Salary \$	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Arni Johannson ⁽¹⁾⁽⁸⁾ <i>Chairman, Director</i>	2012	180,000	Nil	36,074 ⁽²⁾	Nil	Nil	Nil	Nil	216,074
	2011	165,000 ⁽³⁾	Nil	90,781 ⁽⁴⁾	Nil	Nil	Nil	15,000 ⁽³⁾	270,781

Neo Name and Principal Position	Year	Salary \$	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
<i>and Interim President and CEO</i>	2010	Nil	Nil	Nil	Nil	Nil	Nil	288,000	288,000
Michael Sweatman ⁽⁵⁾⁽⁷⁾ <i>Former CFO and current Director</i>	2012	55,000	Nil	10,715 ⁽²⁾	Nil	Nil	Nil	1,500	67,215
	2011	55,000	Nil	96,064 ⁽⁴⁾	Nil	Nil	Nil	29,731 ⁽⁶⁾	180,795
	2010	Nil	Nil	Nil	Nil	Nil	Nil	14,969 ⁽⁶⁾	14,969
David McAdam ⁽⁷⁾ <i>Former CFO</i>	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Sarjeant, ⁽⁸⁾ <i>Former President, CEO and COO</i>	2012	Nil	Nil	17,203 ⁽⁹⁾	Nil	Nil	Nil	160,536	177,739
Andrew Gourlay ⁽¹⁰⁾ <i>Former VP of Exploration and Development</i>	2011	Nil	Nil	48,032 ⁽⁴⁾	Nil	Nil	Nil	116,813	164,845
	2010	Nil	Nil	Nil	Nil	Nil	Nil	32,123	32,123
Darren Tindale ⁽⁵⁾ <i>Former CFO</i>	2010	15,000	Nil	Nil	Nil	Nil	Nil	24,000	39,000

Notes:

- (1) Arni Johannson was appointed interim Chief Executive Officer on December 1, 2009. On June 21, 2011, he was appointed CEO and remained so at the fiscal year ended December 31, 2011. On January 6, 2012, Mr. Johannson resigned as CEO and Mr. Paul Sarjeant was appointed in his stead. On September 13th, 2012, Mr. Sarjeant resigned as CEO and President and Mr. Johannson was appointed interim President and CEO in his stead.
- (2) On April 5, 2012, 101,000 options were granted to Mr. Johannson and 30,000 options were granted to Mr. Sweatman. These options were valued at \$0.66. The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for these options: risk-free interest rate – 1.39%; estimated volatility – 83%; expected life – 5 years; and expected dividend yield – 0%.
- (3) Up until January 31, 2011, Mr. Johannson provided management consultant services to the Corporation. On February 1, 2011, he became an employee of the Corporation.
- (4) On January 4, 2011, 189,000 options were granted to Mr. Johannson, 200,000 to Mr. Sweatman and 100,000 to Mr. Gourlay. These options were valued at \$0.80. The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for these options: risk-free interest rate – 1.64%; estimated volatility – 95%; expected life – 3 years; and expected dividend yield – 0%.
- (5) Darren Tindale resigned as Chief Financial Officer on July 30, 2010 and Michael Sweatman was appointed Chief Financial Officer in his stead.
- (6) Paid for bookkeeping services to a company of which Mr. Sweatman is a Director and Shareholder.
- (7) Michael Sweatman resigned as CFO on September 13, 2012 and Mr. David McAdam was appointed in his stead. Mr. McAdam resigned as CFO on December 31, 2012, and effective January 1, 2013, Ms. Sharon Muzzin was appointed in his stead.
- (8) Paul Sarjeant was appointed President and CEO on January 6, 2012 and resigned from these positions on September 13, 2012, and Mr. Johannson was appointed Interim President and CEO in his stead. Mr. Sarjeant was appointed Chief Operating Officer on September 13, 2012 and resigned on January 31, 2013.
- (9) On January 6, 2012, 150,000 options were granted to Doublewood Consulting Inc., a company controlled by Mr. Sarjeant. These options were valued at \$0.80. The Corporation used the Black-Scholes model as the methodology to calculate the grant date fair value, and relied on the following key assumptions and estimates for these options: risk-free interest rate – 1.97%; estimated volatility – 86%; expected life – 5 years; and expected dividend yield – 0%.
- (10) Mr. Gourlay was appointed as Vice-President of Exploration and Development on May 10, 2010 but did not become an NEO until 2011 due to remuneration paid. See item (c) of definition of “NEO” under the heading “Summary Compensation Table” above. Mr. Gourlay is not an employee of the Corporation and renders invoices to the Corporation for services rendered. Mr. Gourlay was terminated as VP Exploration and Development effective June 30, 2012 and did not meet the definition of an NEO during 2012.

Outstanding Share-Based Awards and Option-Based Awards

The Corporation has a “rolling” stock option plan (the “Plan”). Pursuant to the Plan, the Corporation can grant options up to a maximum of 10% of the Corporation’s issued and outstanding share capital. As at the date of this

Information Circular, the Corporation has a total of 1,283,000 options outstanding pursuant to the Plan. For further information regarding the terms of the Plan, refer to the heading “*Particulars of Matters to be Acted Upon*” below.

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Corporation at the end of the most recently completed financial year to each of the Named Executive Officers as at December 31, 2012.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value ⁽¹⁾ of Unexercised In-The-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value ⁽¹⁾ of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Arni Johannson	101,000	0.66	Apr. 5, 2017	Nil	Nil	Nil	Nil
	189,000	0.80	Jan. 3, 2016	Nil			
Michael Sweatman	30,000	0.66	Apr. 5, 2017	Nil	Nil	Nil	Nil
	200,000	0.80	Jan. 3, 2016	Nil			
David McAdam	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Paul Sarjeant ⁽²⁾	150,000	\$0.80	Jan. 5, 2017	Nil	Nil	Nil	Nil

Notes:

- (1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the excess, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day and the option exercise price. The last closing price of the Corporation’s shares during the financial year ended December 31, 2012 was \$0.085.
- (2) Options awarded to Doublewood Consulting Inc. a company controlled by Paul Sarjeant. The options were cancelled on April 30, 2013 subsequent to Mr. Sarjeant’s resignation as COO, and in accordance with the Corporation’s Stock Option Plan.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table details the value of incentive plan awards to Named Executive Officers that vested during the financial year ended December 31, 2012.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Arni Johannson	Nil ⁽³⁾	N/A	N/A
Michael Sweatman	Nil ⁽³⁾	N/A	N/A
David McAdam	Nil	N/A	N/A
Paul Sarjeant	Nil ⁽²⁾	N/A	N/A

Notes:

- (1) All options granted to the NEOs vested at the date of grant. The 150,000 options granted to Named Executives Officers on January 6, 2012 and the 131,000 options granted to NEOs on April 5, 2012, were not-in-the-money as the market closing price on the date of grant was equal to or less than the exercise price.
- (2) On January 6, 2012, Doublewood Consulting Inc., a company controlled by Paul Sarjeant, was granted stock options to purchase 150,000 common shares, exercisable at a price of \$0.80 per share until January 5, 2017. These options were cancelled, effective April 30, 2013, following Mr. Sarjeant’s resignation as COO and in accordance with the Corporation’s stock option plan.
- (3) On April 5, 2012, Arni Johannson and Michael Sweatman were granted stock options to purchase 101,000, and 30,000 common shares respectively, exercisable at a price of \$0.66 per share until April 5, 2017.

Pension Plan Benefits

The Corporation does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement. The Corporation does not have a form of deferred compensation plan.

Termination of Employment, Change of Control Benefits and Management Contracts

Except as described below, neither the Corporation nor any of its subsidiaries have any plan or arrangement with respect to compensation to its executive officers which would result from the resignation, retirement or any other termination of the executive officers' employment with the Corporation and its subsidiaries or from a change of control of the Corporation or any subsidiary of the Corporation or a change in the executive officers' responsibilities following a change in control.

There are no management functions of the Corporation, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

The Corporation is a party to:

- (a) an employment agreement with Arni Johannson (the “**Johannson Agreement**”) in relation to his role as an executive officer of the Corporation whereby Mr. Johannson receives an annual base salary of \$180,000 and reimbursement of eligible business expenses. In the event of termination without cause by the Corporation, Mr. Johannson will be provided with 30% of two weeks’ salary for each completed year of service or, at the Corporation’s discretion, salary in lieu of such notice to a maximum of 12 months’ notice or salary. The Johannson Agreement does not provide for any payments on a change of control. Effective February 1, 2013, the Johannson Agreement was amended such that Mr. Johannson’s salary was reduced by 50%, to \$90,000 per year;
- (b) an employment agreement with Blair McIntyre (the “**McIntyre Agreement**”) in relation to his role as an executive officer of the Corporation whereby Mr. McIntyre receives an annual base salary of \$84,000 and reimbursement of eligible business expenses. In the event of termination without cause by the Corporation, Mr. McIntyre will be provided with 30% of two weeks’ salary for each completed year of service or, at the Corporation’s discretion, salary in lieu of such notice to a maximum of 12 months’ notice or salary. The McIntyre Agreement does not provide for any payments on a change of control. Effective June 8, 2012, the McIntyre Agreement was amended such that Mr. McIntyre’s salary was reduced by 50%, to \$42,000 per year.

Compensation of Directors

The following table sets forth all amounts of compensation provided to directors or former directors who were not Named Executive Officers of the Corporation during the Corporation’s most recently completed financial year.

Director Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
John Icke	5,250	Nil	Nil	Nil	Nil	Nil	5,250
John Tapics	5,500	Nil	Nil	Nil	Nil	Nil	5,500
Gordon Keevil ⁽¹⁾	3,500	Nil	Nil	Nil	Nil	Nil	3,500
Richard Schroeder ⁽²⁾	6,250	Nil	Nil	Nil	Nil	Nil	6,250

Notes:

- (1) Gordon Keevil resigned as a Director of the Corporation on September 12, 2012.
- (2) Richard Schroeder resigned as a Director of the Corporation on January 30, 2013.

Directors are paid annual fees of \$3,000 each and \$250 for each Board of Directors Meeting attended by a non-executive Director.

Outstanding Share-Based Awards and Option-Based Awards

The Corporation has a “rolling” stock option plan (the “**Plan**”). Pursuant to the Plan, the Corporation can grant options up to a maximum of 10% of the Corporation’s issued and outstanding share capital. As at the date of this

Information Circular, the Corporation has a total of 1,283,000 options outstanding pursuant to the Plan. For further information regarding the terms of the Plan, refer to the heading “Particulars of Matters to be Acted Upon below.

The following table sets forth information concerning all awards outstanding under share-based or option-based incentive plans of the Corporation at the end of the most recently completed financial year to each of the Directors or former Directors of the Corporation who were not Named Executive Officers during the last financial year ended December 31, 2012.

Director Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value ⁽¹⁾ of In-The-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value ⁽¹⁾ of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Share-Based Awards Not Paid Out or Distributed (\$)
John Icke	100,000	1.10	Jan. 15, 2015	Nil	Nil	Nil	Nil
	100,000	0.80	Jan. 3, 2016				
John Tapics	100,000	0.90	Apr. 11, 2016	Nil	Nil	Nil	Nil
Richard Schroeder ⁽²⁾	100,000	0.80	July 5, 2016	Nil	Nil	Nil	Nil

Notes:

- (1) Value is calculated by multiplying the number of securities which may be acquired on exercise of the option by the excess, if any, between the market value of the securities underlying the options as at the closing price on the date of the current financial year end, or, if no trades on date of the current financial year end, closing price on the previous trading day over the option exercise price. The last closing price of the Corporation’s shares during the financial year ended December 31, 2012 was \$0.085.
- (2) Richard Schroeder resigned as a Director of the Corporation on January 30, 2013 and his options were cancelled on April 30, 2013, pursuant to the Corporation’s stock option plan.

Incentive Plan Awards: Value Vested or Earned During the Year

The following table details the value of incentive plan awards to Directors or former Directors (who were not Named Executive Officers) that vested during the financial year ended December 31, 2012.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
John Icke	Nil	N/A	N/A
John Tapics	Nil	N/A	N/A
Gordon Keevil	Nil	N/A	N/A
Richard Schroeder	Nil	N/A	N/A

Notes:

- (1) All options granted to the Directors vested at the date of grant and were not-in-the-money as the market closing price on the date of grant was equal to or less than the exercise price.

Securities Authorized For Issuance under Equity Compensation Plans

For a description of the Corporation’s equity compensation plan, please see the heading “Options” above and “Continuation of Share Option Plan” below. The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2012:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders - (the Option Plan)	1,611,000	\$0.83	953,783
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,611,000	\$0.83	953,783

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, employees and former executive officers, directors and employees of the Corporation were indebted to the Corporation as of December 31, 2012 or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as previously disclosed under the heading “Termination of Employment, Change in Responsibilities and Management Contracts” to the knowledge of management of the Corporation, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or its subsidiary during the year ended December 31, 2012, or has any interest in any material transaction in the current year.

The directors and officers of the Corporation have an interest in the resolutions concerning the election of directors and stock options. Otherwise no director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The shareholders will receive and consider the audited financial statements of the Corporation for the fiscal year ended December 31, 2012 together with the auditor's report thereon. A copy of the financial statements is available for review on www.sedar.com.

Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *British Columbia Business Corporations Act*, each director elected will hold office until the conclusion of the next annual general meeting of the Corporation.

Management is proposing to fix the number for which positions exist on the Corporation's board at four (4).

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Information Circular.

Name of Nominee, Current Position with Corporation, Province and Country of Residence	Principal Occupation ⁽¹⁾	Period From Which Nominee Has Been Director	Number of Approximate Voting Securities ⁽²⁾
Arni Johannson Chairman and Director British Columbia, Canada	President of Canadian Nexus Ventures Ltd.	November 9, 2006	2,526,106
John Icke Director British Columbia, Canada	President and CEO of Resinco Capital Partners Inc.	November 27, 2009	126,000
Murray J. Oliver Director British Columbia, Canada	Vice President of Business Development for the Pemcorp Group of Companies	New Nominee	0
William Filtness Director British Columbia, Canada	President of KCT Consulting Inc.	New Nominee	0

Notes:

- (1) The information as to principal occupation, business or employment and common shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.

The Corporation does not have an Executive Committee. The Board has established an Audit Committee, details of which is provided under the heading "*Statement of Corporate Governance*" in the aforementioned section of this circular.

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **The persons named in the enclosed form of proxy intend to vote for the election of all of the nominees whose names are set forth above.**

Other than as set out below, no proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order, or an order that denied the other relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation)

that, while that 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

- (c) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Except as outlined below, no proposed director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Icke is and was a director of Woulfe Mining Corp. (“**Woulfe**”) at the date of a cease trade order issued by the British Columbia Securities Commission on November 5, 2009 for failure to file audited financial statements and management’s discussion and analysis for the year ended June 30, 2009 on time. The order was revoked on December 8, 2009 following the filing of the required documents. Woulfe’s shares were also suspended from trading on the TSX Venture Exchange on November 6, 2009 in relation thereto and resumed trading on December 9, 2009.

Mr. Icke was a director of Sheen Resources Ltd. (“**Sheen**”) at the date of a trading suspension issued by the TSX Venture Exchange on April 19, 2010 for failure by Sheen to maintain a transfer agent and at the date of a cease trade order issued by British Columbia Securities Commission on May 5, 2010 and re-issued June 10, 2010, by the Ontario Securities Commission on June 30, 2010 for failure to file audited financial statements and management’s discussion and analysis for Sheen for the year ended December 31, 2009 on time and interim financial statements and management’s discussion and analysis for Sheen for the three months ended March 31, 2010. The suspensions and cease trade orders remain in effect. Mr. Icke resigned as a Director of Sheen in October 2010.

Mr. Filtness was the Chief Financial Officer of NEMI Northern Energy & Mining Inc. (“**NEMI**”) on October 13, 2006, when NEMI voluntarily sought and obtained protection under the Companies’ Creditors Arrangement Act (“**CCAA**”) pursuant to an Order of the Supreme Court of British Columbia (“**Court**”). On November 29, 2006, NEMI successfully closed an asset combination transaction with Hillsborough Resources Limited and Anglo Coal Canada Inc., following which NEMI filed with the Court a closing certificate which resulted in NEMI’s full emergence from CCAA protection.

Appointment of Auditor

During the fiscal year ended December 31, 2012, Ernst & Young LLP, Chartered Accountants, served as the Corporation’s auditors and have served as the auditors of the Corporation since July, 2011.

Shares represented by proxies in favour of the management nominees will be voted in favour of the appointment of Ernst & Young LLP, Chartered Accountants, as auditor of the Corporation and authorizing the Board to fix the auditor’s remuneration, unless a shareholder has specified in his proxy that his shares are to be withheld from voting on the appointment of auditor.

Ratification of Incentive Stock Option Plan

Approval of 10% Rolling Stock Option Plan

The TSX requires that each company listed on its stock exchange have a stock option plan and accordingly, the Corporation presently has a 10% rolling stock option plan in place pursuant to which the Corporation can issue

options up to a maximum of 10% of its issued and outstanding shares, from time to time. The directors are of the view that it is in the best interests of the Corporation to maintain the Stock Option Plan, which will enable the directors to grant options to directors, officers, employees and other service providers as a means of rewarding positive performance and providing incentive to effectively manage the affairs of the Corporation. Additionally, the TSXV requires that the Corporation seek annually shareholder approval to the plan.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan which will be available at the Meeting:

The Plan

The Plan provides that stock options may be granted to directors, senior officers, employees, consultants or consultant companies of the Corporation or any of its affiliates.

The Plan provides for the issuance of stock options to acquire up to 10% of the Corporation's issued and outstanding capital as at the date of grant (the "**Plan Ceiling**"), subject to standard anti-dilution adjustment.. This is a "rolling" plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Corporation's issued and outstanding share capital increases. All outstanding stock options granted prior to the implementation of the Plan will be included in the Plan, but at no time will more than 10% of the outstanding shares be subject to grant under the Plan. If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of that expired or terminated stock option that has not been exercised shall again be available for the purpose of the Plan.

The Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options granted prior to the date of such termination. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised, expires or voluntarily cancelled or otherwise terminated in accordance with the provisions of the Plan.

The Plan provides that other terms and conditions, including vesting schedules, may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the particular option agreement.

The Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts. The Board may issue a majority of the options to insiders of the Corporation. However, in no case will the issuance of common shares upon the exercise of stock options granted under the Plan result in:

- (a) the number of options granted in a 12 month period to any one consultant exceeding 2% of the issued shares of the Corporation (calculated at the time of grant);
- (b) the aggregate number of options granted in a 12 month period to any one individual exceeding 5% of the outstanding shares of the Corporation (calculated at the time of grant);
- (c) the number of options granted in a 12 month period to employees or consultants undertaking investor relations activities exceeding in the aggregate 2% of the issued shares of the Corporation (calculated at the time of grant);
- (d) the aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants, exceeding 5% of the issued shares of the Corporation (calculated at the time of the grant) in any 12 month period.

Options granted under the Plan will be for a term not to exceed 10 years from the date of their grant. In the case of a director or officer, the option will terminate at the close of business on the date which is the earlier of (a) 90 calendar days after which the optionee ceases to hold office, or (b) such date as the board may determine at the time of grant. In the case of an employee or consultant, the option will terminate at the close of business on the date which is the

earlier of (a) 30 calendar days after which the optionee ceases to be an employee/consultant, or (b) such date as the board may determine at the time of grant. In the case of an employee or consultant of the Corporation who provides Investor Relations Activities on behalf of the Corporation, the option will terminate (a) at the close of business on the date which the optionee ceases to be an employee or consultant of the Corporation who provides Investor Relations Activities, or (b) such date as the board may determine at the time of grant. In the event of the death of an optionee, the stock option will expire at the close of business on the date which is the earlier of one year from the date of death or (b) such date as the board may determine at the time of grant.

The price at which an optionee may purchase a common share upon the exercise of a stock option will be as set out in the option agreement issued in respect of such option and in any event will not be less than the discounted market price of the Corporation's common shares as of the date of the grant and announcement, if applicable, of the stock option. Currently under the policies of the Exchange, the definition of the "discounted market price" of the Corporation's shares is the closing trading price on the day before the granting of the stock option less a maximum discount of 25% for a closing price per share of \$0.50 or less, 20% for a closing price of \$0.51 to \$2.00, and 15% above \$2.00.

A stock option will be non-assignable except that it will be exercisable by the personal representative of the optionee in the event of the optionee's death or incapacity.

Shareholders will be asked to consider, and if thought fit to approve the following resolution:

"RESOLVED, as an ordinary resolution that:

1. the Corporation's stock option plan (the "**Plan**") as set forth in the Information Circular dated May 31, 2013, be and it is hereby adopted and approved including reserving for issuance under the Plan at any time of a maximum of 10% of the issued and outstanding shares of the Corporation;
2. the Corporation be authorized to grant stock options pursuant and subject to the terms and conditions of the Plan;
3. the outstanding stock options which have been granted prior to the implementation of the Plan shall, for the purpose of calculating the number of stock options that may be granted under the Plan, be treated as options granted under the Plan; and
4. the directors and officers of the Corporation be authorized and directed to perform all such acts and deeds and things and execute, under seal of the Corporation or otherwise, all such documents, agreements and other writings as may be required to give effect to the true intent of these resolutions."

Approval of Share Consolidation

Management believes that it may be both desirable and in the best interests of the Corporation to present to the meeting resolutions which would authorize the Corporation to consolidate its share capital (the "Share Consolidation") which if passed can be acted upon by management during the course of the year without the need for the Corporation to convene a further meeting of shareholders to consider the same item of business. If the Share Consolidation resolutions are passed and acted upon by the Corporation, the objective of the Corporation would be to secure a restructured share capital which would provide the Corporation with greater flexibility in future acquisitions and financings.

As at the record date, the authorized share capital of the Corporation consists of an unlimited number of common shares of which 28,147,826 shares are issued and outstanding. In the event the Share Consolidation resolutions are passed and thereafter acted upon by the Board the authorized share capital of the Corporation will continue to consist of an unlimited number of common shares without par value, of which approximately 7,036,956 common shares would be issued and outstanding if the share consolidation ratio is implemented, on a one (1) new Common

Share being issued for each four (4) previously held Common Shares. The Share Consolidation resolutions will provide the directors with sole and exclusive authority to determine whether the Share Consolidation should be acted upon and discretion to amend the consolidation ratio as deemed appropriate, the consolidation ratio not to exceed 4:1.

No fractional shares will be issued as a result of the Share Consolidation. In the event a shareholder's holdings following the share consolidation would result in the issuance of fractional shares, the holdings of that shareholder would be rounded down to the nearest whole number of shares.

Should the Share Consolidation become effective, letters of transmittal will be sent to all holders of common shares for use in transmitting their old share certificates to the Corporation's registrar and transfer agent, Valiant Trust Company, for exchange into new certificates representing the number of common shares to which such shareholder is entitled as a result of the Share Consolidation. Upon return of a properly completed letter of transmittal, together with certificates evidencing the old common shares of the Corporation, certificates for the appropriate number of new consolidated common shares will be issued at no charge. No certificates for fractional consolidated common shares will be issued.

Should the Share Consolidation become effective, the number of shares reserved for issuance by the Corporation, including those shares reserved for issuance pursuant to the Corporation's stock option plan or outstanding warrants will be adjusted to give effect to the Share Consolidation, such that the number of consolidated common shares issuable on the exercise of options or warrants will equal to the number obtained when the number of common shares issuable is divided by the conversion number and the exercise prices of outstanding stock options and warrants to purchase consolidated common shares will be equal the price obtained by multiplying the existing exercise price by the conversion number.

In accordance with the Articles of the Corporation and the Business Corporations Act (*British Columbia*), the consolidation of common share capital of the Corporation must be approved by a simple majority of the votes cast at the Meeting. The following is the text of the ordinary resolution that will be presented to shareholders:

“RESOLVED as an ordinary resolution that:

1. The Corporation's share capital be altered by consolidating 28,147,826 issued common shares without par value in the capital of the Corporation (or such other number of fully paid and issued common shares that are outstanding on the effective date of the Share Consolidation) on the basis of four (4) old common shares of the Corporation being consolidated into one (1) new common share of the Corporation or such other consolidation ratio as the board of directors and management of the Corporation may deem appropriate, subject to the consent and approval of the TSX Venture Exchange;
2. any fractional shares of the Corporation arising from the Share Consolidation be rounded down to the nearest whole share of the Corporation;
3. the Directors of the Corporation, in their sole and complete discretion, be empowered to effect the Share Consolidation and to determine the actual Share Consolidation ratio (such ratio not to exceed four (4) old common shares for one (1) new common share), or if deemed appropriate and without any further approval from the shareholders of the Corporation, may choose not to act upon this resolution notwithstanding shareholder approval of the Share Consolidation;
4. should the Directors of the Corporation choose to act upon this resolution to effect the Share Consolidation and subject to the deposit of this resolution at the Corporation's records office, any one Director or Officer of the Corporation is authorized and directed to electronically file or cause to be filed, a Notice of Alteration with the Registrar of Companies of British Columbia, and

5. any one Director or Officer of the Corporation is authorized and directed on behalf of the Corporation to take all necessary steps and proceedings, and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things as may be necessary or desirable to give effect to these resolutions.”

The foregoing resolutions permit the Board of Directors, without further approval from the shareholders, to proceed with the Share Consolidation at any time following the Meeting up to the date of the Corporation’s next Annual Meeting. Alternatively, the Board of Directors may choose not to proceed with the Share Consolidation if the Board of Directors, in their discretion, deems that it is no longer desirable to do so.

The Corporation’s name will not change in connection with the Share Consolidation. The Corporation cannot proceed with the proposed Share Consolidation without prior approval of the TSXV. If shareholders pass the resolutions and the TSXV approves the Share Consolidation, the Share Consolidation will take effect on a date to be coordinated with the TSXV and announced in advance by the Corporation.

Management of the Corporation recommends that shareholders vote in favour of the foregoing resolutions, and the persons named in the enclosed Proxy intend to vote for the approval of the foregoing resolutions at the Meeting unless otherwise directed by the shareholders appointing them.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at Suite 490, 580 Hornby Street, Vancouver, BC, V6C 3B6, to request copies of the Corporation's financial statements and MD&A.

Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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

APPENDIX “A”

LIONS GATE METALS INC.

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (“**Committee**”) is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the board of directors; and (iv) to ensure the highest standards of business conduct and ethics.

Composition

The Committee shall be comprised of three directors as determined by the board of directors, the majority of who shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

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

The members of the Committee shall be elected by the board of directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full board of directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

Meetings

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

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any

governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

External Auditors

- (a) Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take or recommend that the full board of directors take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

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

Financial Reporting Processes

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

- (b) Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review certification process for certificates required under Multilateral Instrument 52-109.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related party transactions.
- (b) Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("**Concerns**") relating to the Company such that:
 - (i) an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;
 - (ii) the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and
 - (iii) the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.