

CANAMEX RESOURCES CORP.
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INFORMATION CIRCULAR

(As at October 16, 2014, except as indicated)

The Company is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the Company to be held on Friday, November 21, 2014 and at any adjournments. Unless the context otherwise requires, when we refer in this Information Circular to the Company, its subsidiaries are also included. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

APPOINTMENT OF PROXYHOLDER

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or Directors of the Company (the "**Management Proxyholders**").

A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.

VOTING BY PROXY

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, **Computershare Trust Company, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, by mail or facsimile, in accordance with the instructions set out in the form of proxy accompanying this Information Circular**, not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NOTICE-AND-ACCESS

The Company is not sending this Information Circular to registered or beneficial shareholders using "notice-and-access" as defined under National Instrument 54-101 ("**NI 54-101**").

NON-REGISTERED HOLDERS

Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as a brokerage firm through which they purchased the shares; bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the Proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your Shares are voted at the Meeting.

If you, as a non-registered holder, wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Company to forward meeting materials directly to "non objecting beneficial owners". If the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

NOBOs

The Company is sending the proxy-related materials for the Meeting directly to "non objecting beneficial owners" ("**NOBOs**"), as defined under NI 54-101. The name and address and information about NOBO holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominees holding on behalf of NOBOs. By choosing to send these materials to NOBOs directly, the Company (and not the Nominees holding on behalf of NOBOs) has assumed responsibility for (i) delivering these materials to NOBOs and (ii) executing the proper voting instructions of NOBOs.

OBOs

The Company does not intend to pay for Nominees to deliver the proxy-related materials and Form 54-101F7 to "objecting beneficial owners" ("**OBOs**"), as defined under NI 54-101. As a result, OBOs will not receive the Meeting materials unless their Nominee assumes the costs of delivery.

REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "**shares**"), of which 129,315,095 shares are issued and outstanding. Persons who are registered shareholders at the close of business on the record date, being October 16, 2014, will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held. The Company has only one class of shares.

To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company, except as follows:

<i>Name</i>	<i>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly</i>	<i>Percentage of Outstanding Shares</i>
Hecla Canada Ltd.	17,237,149 ⁽¹⁾	13.3%
Gold Resource Corp.	22,222,222 ⁽²⁾	17.2%

- (1) Of these shares, 14,000,000 were acquired at a price of \$0.18 per share pursuant to the Company's private placement that closed November 21, 2012 (the "Closing"). Pursuant to an Ancillary Rights Agreement, Hecla Canada Ltd. (being a wholly owned Canadian subsidiary of Hecla Mining Company), was restricted from selling any of its shares in the Company for a period of 12 months following Closing, except as may otherwise be approved by the Company or in relation to any takeover bid made by a third party not acting in concert with Hecla. For so long as Hecla holds more

than 10% of the Company's outstanding shares (on an undiluted basis), Hecla also has the right to participate in future equity offerings of the Company, including in respect of common shares of the Company issued on exercise of outstanding common share purchase warrants, in order to maintain Hecla's pro-rata equity interest in the Company. Pursuant to the Ancillary Rights Agreement, Hecla is also required to vote its shares in favor of management's proposals on matters of routine business (being the election of directors, the appointment of auditors, and the approval of the Company's stock option plan) at any meeting of shareholders of the Company held within 12 months after the Closing. In addition, of these shares, 3,095,238 were acquired by Hecla Canada Ltd. at a price of \$0.21 per share pursuant to the Company's private placement that closed on October 3, 2014. In addition, Hecla was issued a warrant (the "Warrant") to purchase an additional 1,547,619 shares at a price of \$0.30 per share for a period of two years from October 3, 2014, expiring October 2, 2016. The 3,095,238 shares and any shares that may be issued on exercise of the Warrant are subject to a hold period that expires February 4, 2015.

- (2) These shares, which were issued pursuant to the Company's private placement that closed February 27, 2014, are held indirectly through GRC Nevada Inc.

ELECTION OF DIRECTORS

The Directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed.

Shareholder approval will be sought to fix the number of directors of the Company at five (5).

The Company is required to have an audit committee. Members of this committee are as set out below.

Management of the Company proposes to nominate each of the following persons for election as a Director. Information concerning such persons, as furnished by the individual nominees, and each other person whose term of office as a director will continue after the Meeting, is as follows:

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾</i>
Greg Hahn⁽³⁾ , P.Geo., Geo. Engineer, Lakewood, Colorado U.S.A. President, Interim CEO, COO, and Director	President and Chief Operating Officer of the Company since September 2012; Interim CEO since May 9, 2014.	Director since September 8, 2011	3,617,225 ⁽²⁾
Mark Billings⁽³⁾ , MBA, CFA, Montreal, Quebec CANADA Director	President and CEO of Orex Exploration Inc. since October 24, 2007, a TSX Venture Exchange ("Exchange") listed mineral exploration company; Director of several companies listed on the Exchange and OTC Bulletin Board.	Director since February 25, 2009	709,048 ⁽⁴⁾

<i>Name, Jurisdiction of Residence and Position</i>	<i>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</i>	<i>Previous Service as a Director</i>	<i>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽¹⁾</i>
Dr. Dean McDonald, Ph.D., P.Ge. North Vancouver, B.C. CANADA Director	Senior Vice President- Exploration for Hecla Mining Company since September 2006.	Director since July 30, 2013.	Nil
Mike Stark⁽³⁾ Surrey, B.C. CANADA Director	24 year member of the Fire Service International Association of Fire Fighters, currently Captain; Director of TransAmerican Energy Inc., a company listed on the Exchange.	Director since February 25, 2009	1,390,735 ⁽⁵⁾
Jason Reid Colorado Springs, Colorado U.S.A. Director	With Gold Resource Corporation since 2006, initially as Corporate Development, then President (July 2010) and then CEO in September of 2013; Also serves a director of Gold Resource Corporation.	Director since April 11, 2014	Nil

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at October 16, 2014, based upon information furnished to the Company by individual directors. Unless otherwise indicated, such shares are held directly.
- (2) Of these shares, 3,477,225 are held indirectly through Gregory A. Hahn Revocable Trust.
- (3) Member of the audit committee.
- (4) Of these shares, 40,000 are held by Nancy Loan and controlled by Mr. Billings.
- (5) Of these shares, 1,188,735 are held indirectly through Starkkollections, a private company controlled by Mike Stark.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity, and except in regards to Dr. Dean McDonald who is the nominee of Hecla Canada Ltd. ("**Hecla**") pursuant to Hecla's right to nominate one person to the Company's board of directors for so long as Hecla owns greater than 10% (on an undiluted basis) of the Company's outstanding common shares in accordance with the terms of the Ancillary Rights Agreement dated November 21, 2012 between Hecla and the Company (the "**Ancillary Rights Agreement**").

Except as set out below, to the knowledge of the Company, no proposed director:

- (a) is, as 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 ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
 - (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the

relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days other than:

A) Mike Stark, who was a director of TransAmerican Energy Inc. ("**TAE**") while that company was subject to:

- 1) a cease trade order issued on August 20, 2008 by the British Columbia Securities Commission (the "**TAE BC CTO**") against TAE for failure to file annual oil and gas disclosure prescribed by National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities*, for the years ended April 30, 2006 and 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE BC CTO was revoked on November 19, 2008;
- 2) a cease trade order issued on August 21, 2008 by the Alberta Securities Commission against TAE (the "**TAE Alberta CTO**") for failure to file annual oil and gas disclosure for the year ended April 30, 2007. TAE subsequently brought all of its annual continuous disclosure filings up-to-date, and the TAE Alberta CTO was revoked on November 25, 2008; and
- 3) a management cease trade order issued on August 31, 2009 by the British Columbia Securities Commission (the "**TAE MCTO**") against TAE for failure to file annual financial statements for the year ended April 30, 2009. The financial statements were subsequently filed and the TAE MCTO was revoked on October 2, 2009; and

(ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or

- (b) is, as 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 any company (including the Company) 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;
- (c) has, within the 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 the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for the election of a proposed director.

The following directors of the Company hold directorships in other reporting issuers as set out below:

<i>Name</i>	<i>Name and Jurisdiction of Reporting Issuer</i>
Greg Hahn	Formation Metals Inc. (TSX)
Mark Billings	Argex Mining Inc. (TSX-V) Caldera Resources Inc. (TSX-V) Orex Exploration Inc. (TSX-V) Litewave Corp. (OTCBB) Iconic Minerals Ltd. (TSX-V) St.-Georges Platinum and Base Metals Ltd. (CNSX) TransAmerican Energy Inc. (TSX-V) Zephyr Minerals Ltd. (TSX-V)
Mike Stark	TransAmerican Energy Inc. (TSX-V)
Jason Reid	Gold Resource Corporation (NYSE)

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The main objective of the Company's executive compensation program is to attract, retain, and engage high-quality, high-performance executives who have the experience and ability to successfully execute the Company's strategy and deliver value to our shareholders.

The objectives of the Company's executive compensation program are as follows:

- (i) compensate executives competitively for the leadership, skills, knowledge, and experience necessary to perform their duties;
- (ii) align the actions and economic interests of executives with the interests of shareholders; and
- (iii) encourage retention of executives.

The Board of Directors of the Company (the "Board") has established a Compensation Committee, which is comprised of Mike Stark, Mark Billings and Dean McDonald, all of whom are independent members of the Board.

The purpose of the Compensation Committee is to make recommendations to the Board regarding (a) executive compensation (including philosophy and programs); (b) management development and succession; (c) compensation of the members of the Board; and (d) broadly applicable compensation and benefit programs. However, it is the Board as a whole which is responsible for determining the final compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation, thereby providing the independent members of the Board with considerable input as to executive compensation.

Process for Determining Executive Compensation

As a junior natural resource issuer, the Company's executive compensation program focuses primarily on rewarding the efforts of its executives in increasing shareholder value and meeting the goals and objectives established by the Board for the Company as a whole and each executive on an individual basis. The Compensation Committee is responsible for reviewing executive compensation with respect to the achievement of these goals on an annual basis and making recommendations to the Board with input from the Company's Chief Executive Officer. In doing so, the Compensation Committee recognizes the importance of ensuring that overall compensation for Named Executive Officers is not only internally equitable, but also competitive within the market segment for junior natural resource issuers. Specifically, the Compensation Committee's review and evaluation includes measurement of, among others, the following areas: (a) the achievement of corporate objectives, such as financings, exploration programs and successes, acquisitions, joint ventures and other business development, in particular having regard to the budgetary constraints and other challenges facing the Company; (b) the Company's financial condition; and (c) the Company's share price, market capitalization and shareholder returns. The Compensation Committee also takes into consideration the value of similar incentive awards to executive officers at comparable companies and the awards given to executive officers in the past.

The goal of the Compensation Committee is to meet at least once a year to assess, evaluate, monitor and make recommendations to the Board regarding appropriate executive compensation policies as well as succession planning, and will meet more frequently if required.

The Compensation Committee has recommended to the Board that the executive compensation program should be comprised of the following elements:

- Management Fee – to compensate executives for the leadership, skills, knowledge and experience required to perform their duties; and
- Long-term Incentive Plan – to retain talented executives, reward them for their anticipated contribution to the long-term successful performance of the Company and align them with the interests of shareholders. The plan currently consists only of incentive stock options and performance milestone payments which are fully described under "Termination and Change of Control Benefits" on page 12 herein.

Compensation Policies and Risk Management

The Board has not proceeded to an evaluation of the implications of the risks associated with the Company's compensation policies and practices.

The Company has not retained a compensation consultant during or subsequent to the most recently completed financial year.

The Company does not use a specific "benchmark group" to determine executive compensation levels.

Total compensation for executive officers includes consulting fees, long-term incentive stock options and performance milestone payments.

Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy forbidding directors and officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities

granted as compensation or held, directly or indirectly, by directors or officers. The Company is not, however, aware of any directors of officers having entered into this type of transaction.

Option-based awards

The Company's stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX-V, and closely align the interests of the executive officers with the interests of shareholders. The Directors of the Company are also eligible to receive stock option grants under the Company's stock option plan, and the Company applies the same process for determining such awards to Directors as with NEOs.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 *Statement of Executive Compensation* which came into force on October 31, 2011 (the "**Form 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company ending on December 31, 2013 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of each Chief Executive Officer and the Chief Financial Officer who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the Chief Executive Officer and the Chief Financial Officer), as at December 31, 2013 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

<i>NEO Name and Principal Position</i>	<i>Year</i>	<i>Salary (\$)</i>	<i>Share-Based Awards (\$)</i>	<i>Option-Based Awards (\$)</i>	<i>Non-Equity Incentive Plan Compensation (\$)</i>		<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total Compensation (\$)</i>
					<i>Annual Incentive Plans</i>	<i>Long-term Incentive Plans</i>			
Greg Hahn ⁽¹⁾⁽⁶⁾⁽¹³⁾ President, COO and Vice-Chairman; former CEO and President	2013	Nil	Nil	Nil	Nil	Nil	Nil	183,229 ⁽⁴⁾	183,229
	2012	Nil	Nil	94,500 ⁽²⁾	Nil	Nil	Nil	135,000 ⁽⁴⁾	229,500
	2011	Nil	Nil	25,000 ⁽³⁾	Nil	Nil	Nil	55,000 ⁽⁴⁾	80,000
Robert Kramer ⁽⁵⁾⁽⁶⁾⁽¹³⁾ CEO and Chairman; former CFO and Secretary	2013	Nil	Nil	Nil	Nil	Nil	Nil	180,000 ⁽⁸⁾	180,000
	2012	Nil	Nil	94,500 ⁽²⁾	Nil	Nil	Nil	135,000 ⁽⁸⁾	229,500
	2011	Nil	Nil	28,000 ⁽⁷⁾	Nil	Nil	Nil	30,500 ⁽¹¹⁾	58,500
Basil Pantages ⁽¹⁾ former President and CEO	2011	Nil	Nil	Nil	Nil	Nil	Nil	3,000 ⁽¹²⁾	3,000

<i>NEO Name and Principal Position</i>	<i>Year</i>	<i>Salary (\$)</i>	<i>Share-Based Awards (\$)</i>	<i>Option-Based Awards (\$)</i>	<i>Non-Equity Incentive Plan Compensation (\$)</i>		<i>Pension Value (\$)</i>	<i>All Other Compensation (\$)</i>	<i>Total Compensation (\$)</i>
					<i>Annual Incentive Plans</i>	<i>Long-term Incentive Plans</i>			
Richard Barnett ⁽⁵⁾	2013	Nil	Nil	Nil	Nil	Nil	Nil	24,000 ⁽¹⁰⁾	24,000
CFO and Secretary	2012	Nil	Nil	13,000 ⁽⁹⁾	Nil	Nil	Nil	7,500 ⁽¹⁰⁾	20,500
	2011	Nil	Nil	Nil	Nil	Nil	Nil	40,000 ⁽¹⁰⁾	40,000

- (1) Greg Hahn was appointed President and CEO of the Company on March 10, 2011, when Basil Pantages, who was President and CEO of the Company from February 26, 2009, resigned. Mr. Pantages subsequently resigned as a director of the Company on July 7, 2011.
- (2) Options to purchase 350,000 shares were granted to each of Messrs. Hahn and Kramer on January 6, 2012, exercisable at \$0.105 per share on or before January 5, 2017 (no vesting provisions), and options to purchase 500,000 shares were granted to each of Messrs. Hahn and Kramer on September 25, 2012, exercisable at \$0.27 per share on or before September 24, 2017 (no vesting provisions). The weighted average grant date fair values of the options granted during the year were estimated based on the following weighted average assumptions: share price at grant date of \$0.16; exercise price of \$0.21; expected life of 3.60 years; expected volatility of 111.9%; risk free interest rate of 1.21% and expected dividend yield rate of 0%.
- (3) An option to purchase 250,000 shares was granted to Mr. Hahn on March 10, 2011, exercisable at \$0.15 per share on or before March 9, 2016 (no vesting provisions).
- (4) In the year ended 2013 - \$183,229 was paid (2012 - \$135,000; 2011 - \$55,000) as consulting fees to a company controlled by Mr. Hahn.
- (5) Robert Kramer was appointed Secretary and CFO of the Company on August 31, 2011, when Richard Barnett, who was Secretary and CFO from February 26, 2009, resigned. Subsequently on September 11, 2012, Richard Barnett was reappointed as CFO and Secretary, taking the place of Robert Kramer who resigned from those positions.
- (6) On September 11, 2012, Robert Kramer resigned as CFO and Secretary and was appointed as CEO and Chairman; Greg Hahn resigned as CEO and was appointed as COO and Vice-Chairman; and Richard Barnett was re-appointed as CFO and Secretary.
- (7) An option to purchase 250,000 shares was granted to Mr. Kramer on July 7, 2011, exercisable at \$0.22 per share on or before July 6, 2016 (no vesting provisions).
- (8) In the year ended 2013- \$180,000 was paid (2012, \$135,000, 2011 - \$30,500) as consulting fees to a company controlled by Mr. Kramer.
- (9) An option to purchase 100,000 shares was granted to Mr. Barnett on September 25, 2012, exercisable at \$0.27 per share on or before September 24, 2017 (vesting 50% on date of grant and 50% Sept.25/13). The weighted average grant date fair values of the options granted during the year were estimated based on the following weighted average assumptions: share price at grant date of \$0.16; exercise price of \$0.21; expected life of 3.60 years; expected volatility of 111.9%; risk free interest rate of 1.21% and expected dividend yield rate of 0%.
- (10) In the year ended 2013 \$24,000 was paid (2012- \$7,500, 2011 - \$40,000) as consulting fees to a company controlled by Mr. Barnett.
- (11) Of this amount, \$500 was paid as a director's fee for the month of July 2011, and the balance \$30,000 was paid or accrued as consulting fees during the year ended December 31, 2011.
- (12) \$3,000 was paid or accrued as director's fee from January 2011 to July 2011.
- (13) Subsequent to the year ended December 31, 2014, on May 9, 2014 Greg Hahn was appointed interim CEO, due to the unfortunate passing away of Robert Kramer, and accordingly Mr. Kramer's positions as CEO, Chairman and a director terminated on that date. Mr. Hahn further resigned as Vice-Chairman on May 9, 2014.

Narrative Discussion

Please refer to “Termination and Change of Control Benefits” on page 5 herein for a discussion of the NEO’s consulting agreements.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)	Number of Shares Or Units Of Shares That Have Not Vested (#)	Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)
Greg Hahn ⁽²⁾ President, COO and Vice-Chairman	250,000	0.15	Mar.9/16	Nil	N/A	N/A
	350,000	0.105	Jan.5/17	Nil		
	500,000	0.27	Sept.24/17	Nil		
Robert Kramer ⁽²⁾ CEO and Chairman	200,000	0.22	July 6/16	Nil	N/A	N/A
	350,000	0.105	Jan.5/17	Nil		
	500,000	0.27	Sept.24/17	Nil		
Richard Barnett CFO and Secretary	100,000	\$0.27	Sept.24/17	Nil	N/A	N/A

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year ended December 31, 2013, which was \$0.065, and the exercise or base price of the option.
- (2) Subsequent to the year ended December 31, 2014, on May 9, 2014 Greg Hahn was appointed interim CEO, due to the unfortunate passing away of Robert Kramer, and accordingly Mr. Kramer’s positions as CEO, Chairman and a director terminated on that date. Mr. Hahn further resigned as Vice-Chairman on May 9, 2014. All outstanding stock options held by Mr. Kramer may be exercised by his estate on or before May 9, 2015.

Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

NEO Name	Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)	Share-Based Awards - Value Vested During The Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)
Greg Hahn ⁽³⁾ President, COO and Vice-Chairman	Nil	N/A	N/A
Robert Kramer ⁽³⁾ CEO and Chairman	Nil	N/A	N/A
Richard Barnett, CFO and Secretary	Nil	N/A	N/A

- (1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.
- (2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.
- (3) Subsequent to the year ended December 31, 2014, on May 9, 2014 Greg Hahn was appointed interim CEO, due to the unfortunate passing away of Robert Kramer, and accordingly Mr. Kramer's positions as CEO, Chairman and a director terminated on that date. Mr. Hahn further resigned as Vice-Chairman on May 9, 2014.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following or in connection with retirement.

Termination and Change of Control Benefits

On October 30, 2012, the Company entered into consulting agreements ("Consulting Agreements") with Harrison Kramer Corporation (for the services of Robert Kramer, the CEO and chairman) and Greg Hahn Consulting LLC (for the services of Greg Hahn, the President, COO and vice-chairman) (together, the "Consultants"). The agreements each have the following material terms: effective date October 1, 2012; fees for services \$15,000 per month; performance milestone payments ("PMP") representing one-half of one percent of the proceeds of disposition ("Disposition") of the Company or its assets in excess of \$25 million; termination ("Termination") by the Company at any time upon payment of 24 months' fees plus any PMP which would have been payable had the Consultant not been terminated for a period of 12 months after the date of such termination (the "Termination Fee"); termination by the Consultant at any time by providing three months' notice; if either Kramer or Hahn die during the term of the Agreement, the Company will pay the surviving spouse or the estate of the deceased, as the case may be, an amount equal to the Termination Fee; and in the event of a change of control ("Change of Control"), the Company will pay the Termination Fee plus 12 months' fees.

Under the Consulting Agreements, a Disposition means (i) a sale of the majority of the issued and outstanding voting securities of the Company; or (ii) a sale of all or substantially all of the assets of the Company; or (iii) a merger or other business combination which results in a Change of Control.

Change of Control means the occurrence of any of the following events:

- (i) if any individual, partnership, company, corporation, society or other legal entity, alone or together with any other person with whom it is acting jointly or in concert, becomes the beneficial owner of, or acquires the power to exercise control or direction over, directly or indirectly, the majority of the issued and outstanding voting securities of the Company, and such persons did not at the date hereof own or otherwise exercise control over fifty percent (50%) or more of the votes exercisable by holders of voting stock, nor have the rights of conversion which, if exercised, would permit such persons to own or control such a percentage of votes;
- (ii) the Company sells or otherwise transfers all or substantially all of its assets; or

- (iii) during any period of two consecutive years, individuals who at the beginning of any such period constitute the directors of the Company cease for any reason to constitute at least a majority thereof; and
- (iv) references to the Company shall include successors to the Company as a result of any amalgamation, merger, consolidation or reorganization of the Company into or with another body corporate or other legal person.

The Consulting Agreements may be terminated as follows, which is the definition of Termination herein:

- (i) by the Company immediately by providing to the Consultant written notice of immediate termination if the Consultant fails to remedy any deficiency or default in providing the services under the Consulting Agreements after having been given notice of the deficiency or default and a reasonable opportunity to remedy the deficiency or default; or
- (ii) by the Company at any time, without further obligation, by providing the Consultant with payments equal to (a) the value of 24 months' fees, and (b) any PMP which would have been payable had the Consultant not been terminated for a period of 12 months after the date of such termination; or
- (iii) by the Consultant, at any time, by providing the Company with three months' written notice.

During the last completed financial year, the sum of \$183,229 was paid to a company controlled by Greg Hahn, and \$180,000 was paid to a company controlled by Robert Kramer for performing management functions on behalf of the Company.

At current consulting fee levels, if a change of control occurred followed by a trigger event, and all Named Executive Officers exercised their rights under the Consulting Agreements, they would be entitled to Change of Control payments aggregating \$1,423,250, or \$703,500 and \$719,750 per Named Executive Officer.

Other than pursuant to the Consulting Agreements, there is no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive any payment from the Company or its subsidiaries in the event of (a) the resignation, retirement or any other termination of the officer's consulting services to the Company or its subsidiaries; (b) a change of control of the Company or any of its subsidiaries; or (c) a change in the officer's responsibilities following a Change of Control.

The following table sets out estimates of the incremental amounts payable to each Named Executive Officer upon identified termination events, assuming each such event took place on the last business day of fiscal year 2013. The table below assumes the exercise of all unexercised options (both vested and unvested) on December 31, 2013.

	Robert Kramer (\$)	Greg Hahn (\$)
Termination Without Cause / Constructive Dismissal		
Base Fee / Termination Payment	360,000	360,000
Benefits and Perks	Nil	Nil
Long-Term Incentives ⁽¹⁾	38,500	54,750
Pension Benefits	Nil	Nil
Performance Milestone Payments ⁽²⁾	Nil	Nil

	Robert Kramer (\$)	Greg Hahn (\$)
Triggering Event Following a Change of Control		
Base Fee / Termination Payment	540,000	540,000
Benefits and Perks	Nil	Nil
Long-Term Incentives ⁽¹⁾	38,500	54,750
Pension Benefits	Nil	Nil
Performance Milestone Payments ⁽²⁾	125,000	125,000

(1) Assumes the exercise of all vested “in-the-money” options on December 31, 2013. The closing price of the Company’s shares on the Exchange on December 31, 2013 was \$0.065 per share.

(2) Assumes proceeds on disposition of \$50,000,000 on December 31, 2013 ($\$50,000,000 - \$25,000,000 = \$25,000,000 \times 0.005 = \$125,000$).

Director Compensation

The following table sets forth all amounts of compensation provided to the directors, who are each not also a Named Executive Officer, for the Company’s most recently completed financial year:

<i>Director Name</i> ⁽¹⁾	<i>Fees Earned</i> (\$)	<i>Share-Based Awards</i> (\$)	<i>Option-Based Awards</i> (\$)	<i>Non-Equity Incentive Plan Compensation</i> (\$)	<i>Pension Value</i> (\$)	<i>All Other Compensation</i> (\$)	<i>Total</i> (\$)
Mike Stark	6,000 ⁽²⁾	N/A	Nil	N/A	N/A	Nil	6,000
Mark Billings	6,000 ⁽²⁾	N/A	Nil	N/A	N/A	Nil	6,000
W. Pierce Carson ⁽³⁾	5,500 ⁽²⁾	N/A	Nil	N/A	N/A	Nil	5,500

(1) Relevant disclosure has been provided in the *Summary Compensation Table* above, for directors who receive compensation for their services as a director who is also Named Executive Officers (if any).

(2) Accrued during year ended December 31, 2013.

(3) Pierce Carson resigned as a director of the Company on November 21, 2013, and his options accordingly were terminated February 21, 2014.

The Company compensated non-executive Directors for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular, at \$500 each per month.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Other than as aforesaid and the reimbursement of expenses incurred as Directors, there were no other arrangements, standard or otherwise, pursuant to which directors of the Company were compensated by the Company for their services in their capacity as directors or for committee participation, involvement

in special assignments or for services as consultants or experts during the financial year ended December 31, 2013.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers:

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options ⁽¹⁾ (\$)</i>	<i>Number of Shares Or Units Of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value Of Share-Based Awards That Have Not Vested (\$)</i>
Mike Stark	250,000	0.27	Sept.24/17	Nil	N/A	N/A
Mark Billings	100,000	0.105	Jan.5/17	Nil	N/A	N/a
	150,000	0.27	Sept.24/17	Nil		
W. Pierce Carson ⁽²⁾	200,000	0.22	July 6/16	Nil	N/A	N/A
	100,000	0.105	Jan.5/17	Nil		
	150,000	0.27	Sept.24/17	Nil		

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.065, and the exercise or base price of the option.

(2) Pierce Carson resigned as a director of the Company on November 21, 2013, and all of his options subsequently were terminated February 21, 2014.

Incentive Plan Awards - Value Vested or Earned During the Year

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Directors who are not Named Executive Officers are as follows:

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During The Year ⁽¹⁾ (\$)</i>	<i>Share-Based Awards - Value Vested During The Year ⁽²⁾ (\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During The Year (\$)</i>
Mike Stark	Nil	N/A	N/A
Mark Billings	Nil	N/A	N/A
W. Pierce Carson ⁽³⁾	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date, computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

(2) This amount is the dollar value realized upon vesting of share-based awards, computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

- (3) Pierce Carson resigned as a director of the Company on November 21, 2013, and all of his options subsequently were terminated February 21, 2014.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i> <i>(a)</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights</i> <i>(b)</i>	<i>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</i> <i>(c)</i>
Equity compensation plans approved by securityholders	4,625,000	\$0.21	5,080,686 ⁽¹⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	4,625,000	\$0.21	5,080,686 ⁽¹⁾

- (1) Calculation based on 10% of issued and outstanding share capital as at year ended December 31, 2013 (being 97,056,861 common shares) less 4,625,000 options outstanding as at the fiscal year end.

The Company has in place a 10% Rolling Stock Option Plan (the "Plan"), which was ratified and approved by shareholders at the Annual General Meeting held November 22, 2013, and approved by the TSX Venture Exchange on November 28, 2013. On September 2, 2014, the Board of Directors approved minor amendments to the Plan that did not require shareholder approval, which amendments were accepted by the TSX Venture Exchange on October 6, 2014.

Under the Plan, options are exercisable over periods of up to 10 years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Company's shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the Exchange and approved by the Board of Directors. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The maximum number of common shares which may be issued pursuant to options previously granted and those granted under the Plan will be 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed (without disinterested shareholder approval) 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

The Plan also contains the following provisions:

1. If a change of control (as defined in the Plan) occurs, or if the Company is subject to a take-over bid, all shares subject to stock options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Board may also accelerate the expiry date of outstanding stock options in connection with a take-over bid.
2. The Plan contains adjustment provisions with respect to outstanding options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.
3. On the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of (i) the expiry date of such options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.
4. If pursuant to the operation of an adjustment provision of the Plan, an optionee receives options (the "New Options") to purchase securities of another company (the "New Company") in respect of the optionee's options under the Plan (the "Subject Options"), the New Options shall expire on the earlier of: (i) the expiry date of the Subject Options; (ii) if the optionee does not become an eligible person in respect of the New Company, the date that the Subject Options expire pursuant to the applicable provisions of the Plan relating to expiration of options in cases of death, disability or termination of employment discussed in the preceding paragraph above (the "Termination Provisions"); (iii) if the optionee becomes an eligible person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to the Termination Provisions; and (iv) the date that is two (2) years after the optionee ceases to be an eligible person in respect of the New Company or such shorter period as determined by the Board of Directors.
5. In accordance with good corporate governance practices and as recommended by National Policy 51-201 *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the board of directors. In order to ensure that holders of outstanding stock options are not prejudiced by the imposition of such black-out periods, any outstanding stock options with an expiry date occurring during a management imposed black-out period or within five days thereafter will be automatically extended to a date that is 10 trading days following the end of the black-out period.

Refer to "Particulars of Other Matters to be Acted Upon – Approval and Ratification of 10% Rolling Stock Option Plan, with Minor Amendments" herein.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at October 16, 2014, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing to the Company

or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of directors and the approval of the stock option plan.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITORS

Manning Elliot LLP, Chartered Accountants, of 11th Floor, 1050 West Pender Street, Vancouver, B.C., V6E 3S7 is the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Manning Elliot LLP as the auditors of the Company to hold office for the ensuing year at remuneration to be fixed by the directors.

Manning Elliot LLP, Chartered Accountants, were first appointed as auditors on April 9, 2010.

MANAGEMENT CONTRACTS

No management functions of the Company or subsidiaries are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board of Directors, 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 of Directors and who are charged with the day-to-day

management of the Company. The Board of Directors is committed to sound corporate governance practices, which are both in the interest of shareholders and contribute to effective and efficient decision making.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Company's Board consists of five (5) directors, four (4) of whom are considered independent based upon the tests for independence set forth in NI 52-110. Mike Stark, Mark Billings, Dean McDonald and Jason Reid (the "Independent Directors") are considered independent. Greg Hahn, as the Company's current President, CEO, COO and Vice-Chair, is not considered independent.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team. The Board considers that management is effectively supervised by the Independent Directors on an informal basis as the Independent Directors are involved in reviewing and supervising the operations of the Company and have full access to management.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

Orientation and Continuing Education

The Company does not have formal orientation and training programs and does not consider these programs necessary at this stage of the Company's development. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Company's reputation for integrity is an important asset. The Company has always set high standards of personal and business integrity for its employees, and intends to continue to conduct its business in accordance with those high standards. The Company obeys the law wherever it operates. It is expected that the Company's business conduct and the personal actions of its employees reflect the spirit and intent of the laws under which the Company operates and its employees live. The Company's employees are encouraged to act so that others will view the Company and its employees as having the very highest standards of integrity. Ultimately there is no way to assure proper behaviour, except through the actions of each employee. No set rules of conduct will apply to every possible situation. Common sense and judgment supported by a deeply ingrained tradition of integrity provides the Company's foundation.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board as a whole has responsibility for identifying potential Board candidates. See also "Assessments" below.

Compensation of Directors and the CEO

The Compensation Committee, being Mike Stark, Mark Billings, and Dean McDonald, have the responsibility for recommending to the Board director and senior management compensation. All three Compensation Committee members have direct experience that is relevant to his responsibilities in executive compensation acquired from working as senior executives and/or directors of other publicly traded companies in the junior natural resource sector.

The purpose of the Compensation Committee is to, inter alia, make recommendations to the Board regarding executive compensation (including long-term incentive in the form of stock options) to be paid to the Company's executive officers having regard to the responsibilities and risks associated with each position.

The quantity and quality of Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The basic philosophy underlying executive compensation is that the interests of the Company's executive officers should be aligned as closely as possible with the interests of the Company and its shareholders as a whole. The compensation that the Company pays to its executive officers consists of cash, stock options and performance milestone payments. The Company does not have a pension plan or a benefits plan for its executive officers. The Company places a greater emphasis on equity incentive and performance milestone compensation than it does on cash compensation. This is consistent with the Company's basic philosophy that the Company's best interests are served by having its executives benefit in the same way as shareholders. It also reflects the Company's stage of development and its priority allocation of its limited financial resources to the development of the Company's business. Further information regarding director compensation appears under "Executive Compensation" on page 7.

Board Committees

The Company has an Audit Committee and a Compensation Committee at this time. The Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development.

The Board intends annually, and at such other times as it deems appropriate, to review the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board intends to conduct informal surveys of its directors, and receive reports from each committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity.

AUDIT COMMITTEE

The Audit Committee's Charter

Mandate

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

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

Composition

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

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

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

External Auditors

- (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, consistent with Independence Standards Board Standard 1.
- (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 pre-approval requirement is waived with respect to the provision of non-audit services if:
 - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

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

Financial Reporting Processes

- (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 auditors' 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 any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Composition of the Audit Committee

The following are the members of the Committee:

Mike Stark	Independent ①	Financially literate ①
Greg Hahn	Not Independent ①	Financially literate ①
Mark Billings	Independent ①	Financially literate ①

① As defined by National Instrument 52-110.

All members of the Audit Committee are financially literate, and have a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee 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.

Relevant Education and Experience

Mike Stark: Mr. Stark presently serves as a director and audit committee member for another publicly traded company.

Greg Hahn: Mr. Hahn, while not an independent director, Mr. Hahn has served as either President and CEO and/or Director of several public companies since 1995, and has extensive experience in dealing with auditors and the Audit Committees representing those public companies.

Mark Billings: Mr. Billings presently serves as President and CEO of Orex Exploration Inc., a gold exploration company, and as CFO of Argex Mining Inc., a titanium, vanadium and iron ore exploration company. In these capacities, he is responsible for the financial statements and internal controls and procedures for financial reporting. In addition, he serves on the audit committee of a number of other

Exchange-listed issuers, and was Chief Financial Officer of other private and public companies where he was responsible for financial reporting and internal controls and procedures. Mr. Billings has an MBA, with a concentration in finance, and is a Chartered Financial Analyst.

Audit Committee Oversight

At no time since the commencement of the Company'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 Company's most recently completed financial year has the Company 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 Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors" above.

External Auditors' Service Fees (By Category)

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

<i>Financial Year Ended</i>	<i>Audit Fees</i>	<i>Audit Related Fees</i>	<i>Tax Fees</i>	<i>All Other Fees</i>
December 31, 2013	\$27,500	\$750	\$2,500	Nil
December 31, 2012	\$32,000	\$850	\$2,500	Nil

- (1) Estimated amount, as the Company has not as of the date hereof been billed for the December 31, 2013 tax return.
- (2) Additional audit procedures relating to the first time adoption of International Financial Reporting Standards.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

A. Approval and Ratification of Stock Option Plan, with Minor Amendments

The Board of Directors of the Company implemented a stock option plan (the "Plan") effective July 9, 2010, which was last approved by the Exchange on November 28, 2013 and the shareholders of the Company on November 22, 2013. On September 2, 2014, the Board of Directors approved minor amendments to the Plan that did not require shareholder approval. The TSX Venture Exchange accepted the amended plan (the "Amended Plan") on October 6, 2014.

The number of common shares which may be issued pursuant to options previously granted and those granted under the Amended Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one

individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities nor is a consultant. Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the Amended Plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

Therefore, at the Meeting, shareholders will be asked to pass a resolution in the following form:

"UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the Amended Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis."

The purpose of the Amended Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to ten years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Amended Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion. The Amended Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

The full text of the Amended Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 303, 595 Howe Street, Vancouver, British Columbia, and will also be available for review at the Meeting.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the Amended Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at Suite 303, 595 Howe Street, Vancouver, British Columbia, V6C 2T5 (Phone: (604) 336-8612 / Fax: (604) 718-2808) to request copies of the Company's financial statements and MD&A.

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

OTHER MATTERS

Management of the Company 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.

DATED this 16th day of October, 2014.

APPROVED BY THE BOARD OF DIRECTORS

Greg Hahn, President, CEO and Director