

**GOLDTRAIN RESOURCES INC.**

**MANAGEMENT INFORMATION CIRCULAR  
FOR THE  
ANNUAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
to be held on June 26, 2013**

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**PROXY SOLICITATION**

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of **GOLDTRAIN RESOURCES INC.** (the “**Corporation**” or “**GoldTrain**”) for use at the annual and special meeting (sometimes referred to as the “**Meeting**”) of the holders of common shares of the Corporation to be held at 180 Dundas Street West, Suite 1801, Toronto, Ontario M5G 1Z8 on June 26, 2013, at 9:30 a.m. (Toronto time) and at any adjournments thereof, for the purposes set forth in the notice (the “**Notice**”) of the annual and special meeting accompanying this Circular.

All costs of this solicitation of proxies by management will be borne by the Corporation. In addition to the solicitation of proxies by mail, directors and officers of the Corporation may solicit proxies personally by telephone or other telecommunication but will not receive additional compensation for doing so.

The information contained herein is given as of May 21, 2013, unless otherwise noted.

This Circular describes the matters to be acted on at the Meeting and the procedures for attending or appointing proxies to vote at the Meeting.

**PART ONE**

**VOTING INFORMATION AND PRINCIPAL SHAREHOLDERS**

**APPOINTMENT AND REVOCABILITY OF PROXIES**

**REGISTERED SHAREHOLDERS**

If you are a registered shareholder, you can vote your shares at the Meeting in person or by proxy. If you wish to vote in person at the Meeting, do not complete or return the form of proxy included with this Circular. Your vote can be cast by you in person and counted at the Meeting. If you do not wish to attend the Meeting or do not wish to vote in person, complete and deliver a form of proxy in accordance with the instructions given below.

**Appointment of Proxy**

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to sign, date and return the form of proxy in the envelope provided. The persons named in the enclosed form of proxy are directors or officers of the Corporation. **If you are a shareholder entitled to vote 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 enclosed form of proxy, to attend and vote for you at the Meeting.** Such right may be exercised by striking out the names of the persons designated in the enclosed form of proxy and by inserting in the blank space provided for that purpose the name of the person to be appointed or by completing another proper form of proxy. It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should upon arrival at the Meeting present themselves to a representative of the scrutineers at the Meeting.

The form of proxy must be executed by the shareholder or his attorney duly authorized in writing or, if the shareholder is a corporation, by instrument in writing executed (under corporate seal if so required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation. If the proxy is executed by a duly authorized attorney or authorized signatory of the shareholder, the proxy should reflect such person's capacity following his or her signature and should be accompanied by the appropriate instrument evidencing such person's qualifications and authority to act (unless such has been previously filed with the Corporation or the Corporation's registrar and transfer agent, Computershare Trust Company of Canada).

## **Depositing Proxy**

Proxies to be exercised at the Meeting must be mailed to or deposited with the Corporation's registrar and transfer agent, **Computershare Trust Company of Canada**, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 Attention: Proxy Department, such that they are received at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the commencement of the Meeting or any adjournment thereof, in default of which they may be treated as invalid, although the Chairman of the Meeting has the discretion to accept proxies filed less than 48 hours prior to the commencement of the Meeting, or any adjournment thereof.

A proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

## **NON-REGISTERED OR BENEFICIAL SHAREHOLDERS**

Your shares may not be registered in your name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or stock broker, or trustees or administrators of self administered registered savings plans, registered retirement savings funds, registered education savings plans and similar plans, or a clearing agency in which an intermediary participates). If your shares are listed in an account statement provided to you by a broker, then it is likely that those shares will not be registered in your name but under the broker's name or under the name of an agent of the broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited which acts as the nominee for many Canadian brokerage firms) and, in the United States, under the name of Cede & Co. (the registration name for The Depository Trust Company, which acts as depository for many U.S. brokerage firms and custodian banks).

If your shares are registered in the name of an intermediary or a nominee, you are a non-registered or beneficial shareholder (a "**beneficial shareholder**"). Beneficial shareholders should be aware that only registered shareholders whose names appear on the share register of the Corporation, or the persons they appoint as their proxies, are entitled to vote at the Meeting. The purpose of the procedures described below is to permit non-registered shareholders to direct the voting of the shares they beneficially own. There are two categories of beneficial shareholders. Beneficial shareholders who have provided instructions to an intermediary that they do not object to the intermediary disclosing ownership information about them are considered to be Non-Objecting Beneficial Owners ("**NOBOs**"). Beneficial shareholders who have objected to an intermediary providing ownership information are Objecting Beneficial Owners ("**OBOs**").

The Corporation has distributed copies of this Circular, the accompanying form of proxy, the Notice, a letter to shareholders from the President (collectively, the "**Meeting Materials**"), either directly to registered shareholders and to the NOBOs or to intermediaries for distribution to NOBOs together with the intermediary's form of proxy or voting instruction form. The Corporation has also distributed copies of the Meeting Materials to intermediaries for distribution to the OBOs. Unless you have waived your rights to receive the Meeting Materials, the Corporation is required to deliver them to you as a beneficial shareholder of the Corporation and to seek your instructions as to how to vote your shares.

These Meeting Materials are being sent to both registered and beneficial shareholders of the securities. If you are a non-registered owner, and if the Corporation or its transfer agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding shares on your behalf.

If the Corporation or its transfer agent has sent these materials directly to you, as a beneficial shareholder, the Corporation (and not the intermediary holding shares on your behalf) has assumed responsibility for (i) delivering these materials to the beneficial shareholder, and (ii) executing the beneficial shareholder's proper voting instructions.

If you are a beneficial shareholder who has received these proxy-related materials directly from the Corporation or transfer agent, please return your voting instructions as specified in the request for voting instructions.

## **VOTING PROCEDURE FOR BENEFICIAL SHAREHOLDERS**

Brokers or agents can only vote shares of the Corporation if instructed to do so by the beneficial shareholder.

Every broker or agent has its own mailing procedure and provides its own instructions. Typically, a beneficial shareholder will be given a voting instruction form which must be completed and signed by the beneficial

shareholder in accordance with the instructions provided by the intermediary. The purpose of this form is to seek instructions from the beneficial shareholder on how to vote on behalf of or otherwise represent the beneficial shareholder. A beneficial shareholder cannot use this form to vote or otherwise represent shares in person at the Meeting. If you are a beneficial shareholder, you must follow the instructions provided by the intermediary in order to ensure that your shares are voted or otherwise represented at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada and in the United States. Broadridge mails a voting instruction form in lieu of the 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 beneficial 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 your 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 be 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 shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, you cannot use it to vote shares directly at the Meeting – the instruction form must be returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the shares voted or otherwise represented at the Meeting.

Occasionally, a beneficial shareholder may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of shares owned by the beneficial shareholder but is otherwise not completed. This form of proxy does not need to be signed by you. In this case, you can complete and deliver the proxy as described above under the heading “*Registered Shareholders*”.

**Beneficial shareholders should carefully follow the instructions of their intermediary on the forms they receive, including those regarding when and where the form of proxy or voting instruction form is to be delivered, and contact their intermediaries promptly if they need assistance.**

#### **OBJECTING BENEFICIAL OWNERS – OBOS**

If you are an OBO, you cannot use the mechanisms described above for registered shareholders and must follow the instructions provided by the intermediary in order to ensure that your shares are voted or otherwise represented at the Meeting.

#### **NON-OBJECTING BENEFICIAL OWNERS – NOBOS**

If you, as a NOBO, receive the Corporation’s form of proxy, you may complete and deliver the proxy as described above under the heading “*Registered Shareholders*”. If you, as a NOBO, receive the intermediary’s voting instruction form, follow the instructions provided by the intermediary with respect to completing the form in order to ensure that your shares are voted or otherwise represented at the Meeting.

#### **Beneficial Shareholders – Attendance at Meeting**

Although as a beneficial shareholder you may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of your broker or other intermediary, you may attend at the Meeting as proxyholder for your broker or other intermediary and vote your shares in that capacity. If you wish to attend at the Meeting and indirectly vote your shares as proxyholder for your broker or other intermediary, you should enter your own name in the blank space on the voting instruction form provided to you and return it to your broker or other intermediary in accordance with the instructions provided by your broker or other intermediary, 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 shares.

#### **Revocation of Proxies and Voting Instruction Forms**

A registered shareholder who executes and returns a proxy may revoke it (to the extent it has not been exercised) by depositing a written statement to that effect executed by the shareholder or his, her or its attorney duly authorized in writing or by electronic signature or by transmitting by telephonic or electronic means, a revocation that is signed by electronic signature, or, if the shareholder is a corporation, by written instrument executed (under corporate seal if so

required by the rules and laws governing the corporation) by a duly authorized signatory of such corporation:

- (a) with the Corporation's registrar and transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, at any time up to the close of business on the last business day prior to the Meeting, or any adjournment thereof;
- (b) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, at any time prior to a vote being taken in reliance on such proxy; or
- (c) in any other manner permitted by law.

A registered shareholder who has revoked a proxy may submit another proxy by delivering another properly executed form of proxy bearing a later date and depositing it as described above under the heading "*Depositing Proxy*".

A beneficial shareholder may revoke a voting instruction or may revoke a waiver of the right to receive the Meeting Materials or a waiver of the right to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on any such revocation that is not received by the intermediary well in advance of the Meeting.

### **VOTING OF SHARES BY PROXY**

The proxyholders named in the accompanying form of proxy shall and will vote the shares represented thereby on any ballot in accordance with the shareholder's direction set forth in the proxy. **IN THE ABSENCE OF SUCH DIRECTION, THE SHARES REPRESENTED THEREBY WILL BE VOTED FOR THE ELECTION OF THE MANAGEMENT NOMINEE DIRECTORS NAMED IN THIS CIRCULAR, FOR THE RE-APPOINTMENT OF PALMER REED, CHARTERED ACCOUNTANTS, AS THE AUDITORS OF THE CORPORATION AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION AND TERMS OF ENGAGEMENT, FOR THE APPROVAL OF THE CORPORATION'S ADVANCE NOTICE BY-LAW, FOR THE APPROVAL OF THE SUBDIVISION OF THE COMMON SHARES OF THE CORPORATION ON A THREE-FOR-ONE BASIS, FOR THE APPROVAL OF THE CAPITAL RE-ORGANIZATION AND FOR THE APPROVAL OF THE AMENDMENT OF THE CORPORATION'S STOCK OPTION PLAN,** all as discussed below.

The persons named in the enclosed form of proxy will vote, or withhold from voting, the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such directions, such shares will be voted in favour of the matters specified in the Notice.**

An intermediary may not vote, or give a proxy authorizing another person to vote, except in accordance with voting instructions received from the non-registered shareholder who beneficially owns the shares.

### **EXERCISE OF DISCRETION BY PROXY**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournments thereof.** At the date of this Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **If amendments or variations to matters identified in the Notice or if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote in accordance with their judgment on such matters.**

### **RECORD DATE**

The board of directors of the Corporation (the "**Board**") has determined that the holders of common shares at the close of business on May 27, 2013 (the "**Record Date**") shall be entitled to receive notice of the Meeting and to vote at the Meeting and any adjournment thereof. Accordingly, only shareholders of record on such Record Date will be entitled to vote at the Meeting.

### **OUTSTANDING VOTING SHARES, VOTING AT MEETINGS AND QUORUM**

The authorized capital of the Corporation consists of an unlimited number of common shares and an limited number

of preferred shares issuable in series. As of the date of this Circular, 49,422,611 common shares of the Corporation are outstanding. Holders of common shares as of the close of business on the Record Date will be entitled to one vote per common share at the Meeting. The Corporation will prepare, or cause to be prepared, a list of shareholders (“**Shareholders’ List**”) entitled to receive notice of the Meeting not later than 10 days after the Record Date. At the Meeting, the holders of common shares shown on the Shareholders’ List will be entitled to one vote per common share shown opposite their names on the Shareholders’ List.

Unless otherwise required by law, every question coming before the Meeting will be determined by a majority of votes duly cast on the matter.

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the non-registered shareholder with respect to the voting of certain shares or, under applicable regulatory rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such intermediary “non-votes” will, however, be counted in determining whether there is a quorum.

A quorum for the Meeting and any adjournments thereof is two persons present in person or representing holders of shares entitled to vote thereat.

## **PRINCIPAL HOLDERS OF VOTING SHARES**

The following table sets forth the names of each person who, or corporation which, to the knowledge of the directors and officers of the Corporation, beneficially owns or exercises control over, directly or indirectly, more than 10% of the outstanding voting securities of the Corporation, as well as the number of voting securities so owned, controlled or directed by each such person or corporation and the percentage of the outstanding voting securities of the Corporation so owned, controlled or directed, as of May 21, 2013.

<b>Name</b>	<b>Number of Voting Securities</b>	<b>Type of Ownership</b>	<b>Percentage of Outstanding Common Shares</b>
Donald A. Sheldon <sup>(1)</sup>	6,169,945 Common Shares	Direct and control or direction	12.48%
KWG Resources Inc. <sup>(2)</sup>	7,284,000 Common Shares	Direct	14.73%

Note:

- (1) Donald A. Sheldon exercises control and direction over 5,794,945 shares held by Suite 1800 Management Ltd. and 375,000 shares held by Second Sheldon Family Trust
- (2) Frank Smeenk, a director of GoldTrain, exercises control over the shares held by KWG Resources Inc.

The directors and officers of the Corporation own or control, directly or indirectly, in the aggregate 10,032,565 common shares representing approximately 20.2% of the issued and outstanding common shares of the Corporation.

## **PART TWO**

### **COMPENSATION OF NAMED EXECUTIVE OFFICERS**

The Summary Compensation Table below details all of the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, for the fiscal year ended December 31, 2012, to the Chief Executive Officer, the Chief Financial Officer and the other individuals to a maximum of three who were the most highly compensated executive officers of the Corporation and its subsidiaries and whose total compensation from the Corporation and its subsidiaries exceeded \$150,000 in each of the Corporation’s three most recently completed financial years (collectively, with the Chief Executive Officer and the Chief Financial Officer, the “**Named Executive Officers**” or the “**NEOs**” of the Corporation). Total compensation encompasses, as applicable, regular salary, dollar amount of option awards, non-equity incentive plan compensation which would include discretionary and non-discretionary bonuses, pension value with compensatory amounts for both defined and non-defined contribution retirement plans, and all other compensation which could include perquisites, tax gross-ups, premiums for certain insurance policies, payments resulting from termination, resignation, retirement or a change in control and all other amounts not reported in another column.

**SUMMARY COMPENSATION TABLE**

**(Year Ended December 31, 2012)**

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			
Brian Wright, President and Chief Operating Officer <sup>(1)</sup>	2012	82,900	NIL	NIL	NIL	NIL	NIL	NIL	82,900
	2011	42,000	NIL	NIL	NIL	NIL	NIL	36,300	78,300
	2010	NIL	NIL	7,800	NIL	NIL	NIL	54,350	62,150
Carl McGill, Chief Executive Officer <sup>(2)</sup>	2012	NIL	NIL	NIL	NIL	NIL	NIL	36,000	36,000
	2011	NIL	NIL	4,000	NIL	NIL	NIL	18,000	22,000
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Johnny Oliveira, Chief Financial Officer <sup>(3)</sup>	2012	NIL	NIL	NIL	NIL	NIL	NIL	31,000	31,000
	2011	NIL	NIL	NIL	NIL	NIL	NIL	17,600	17,600
	2010	NIL	NIL	2,000	NIL	NIL	NIL	6,000	8,000

Note:

- (1) Brian Wright resigned as Chief Executive Officer on June 1, 2011 when he was replaced by Carl McGill. Brian Wright continues as the President and Chief Operating Officer of the Corporation.
- (2) Carl McGill was appointed Chief Executive Officer on June 1, 2011.
- (3) Johnny Oliveira was appointed Chief Financial Officer August 5, 2010.

**LONG TERM INCENTIVE PLANS (LTIP) AWARDS**

The Corporation does not have a long term incentive plan, other than stock options granted from time to time by the Board under the provisions of the Corporation's stock option plan.

*Equity Compensation Plan Information*

A stock option plan (the "Stock Option Plan") for the Corporation was adopted on April 27, 2009 at the Annual and Special Meeting held on that date. The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, key employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation and thereby provide additional incentive for them to promote the success of the Corporation. Under the terms of the Stock Option Plan, the Board of the Corporation may, at its discretion, grant options to purchase common shares to directors, officers, employees and consultants of the Corporation, provided that: (i) no individual may be granted options for common shares exceeding 5% of the issued and outstanding common shares from time to time; (ii) the maximum aggregate number of common shares which may be reserved for issuance under the Stock Option Plan at any time may not exceed 10% of the number of the issued and outstanding common shares; (iii) the maximum number of common shares which may be reserved for issuance to insiders may not exceed 10% of the outstanding common shares at the date of the grant; (iv) the maximum number of common shares which may be issued to any one insider, and such insider's associates, in any 12 month period is 5% of the outstanding common shares at the date of issuance; (v) the maximum number of common shares which may be issued to all insiders in any 12 month period is 10% of the outstanding common shares at the date of issuance; (vi) the maximum number of common shares which may be reserved to any one consultant is 2% of the number of common shares outstanding on the date of the grant; and (vii) the maximum number of common shares which may be reserved to all persons conducting investor relations activities is 2% of the number of common shares outstanding on the date of the grant.

Options granted under the Stock Option Plan are non-assignable and non-transferable. The option price per share granted under the Stock Option Plan may not be less than the closing market price for the common shares on the exchange on which the Corporation's shares are listed on the last day of trading immediately preceding the date on which the option is granted, less any applicable discount permitted by the rules and policies of the exchange. The maximum term of any option is five years from the date on which the option is granted. If a person to whom options have been granted ceases to be a director, officer or employee, such person must exercise his or her options before the earlier of the expiry date and ninety (90) days following the termination date, after which all of his or her outstanding options will expire, unless involving an optionee engaged in investor relations, in which case the period will be the earlier of the expiry date and thirty (30) days following termination. In the event of the death or permanent disability of a designated recipient, his or her estate may exercise the outstanding options before the earlier of the expiry date and twelve (12) months from the date of death, after which all of such options will expire. If an optionee is terminated for cause, such optionee's options will terminate on the date of termination. In the event of a change of control of the Corporation, then all unvested options shall vest immediately and shall be exercisable for ninety (90) days (or thirty (30) days if engaged in investor relations activities) following closing.

A maximum of 4,942,261 common shares are reserved for issuance under the Stock Option Plan as approved by the Shareholders at the Annual General and Special Meeting on June 25, 2012. As at the date hereof, options to purchase 2,450,000 common shares under the Stock Option Plan are outstanding and unexercised. The Stock Option Plan information in the following table is given as of May 21, 2013.

**EQUITY COMPENSATION PLAN TABLE (1)**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
<b>Equity compensation plans approved by securityholders</b>	2,450,000	\$0.11	2,492,261
<b>Equity compensation plans not approved by securityholders</b>	N/A	N/A	N/A
<b>Total</b>	2,450,000	\$0.11	2,492,261

**OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS**

The following table sets forth information concerning all option-based and share-based awards granted to the Named Executive Officers that were granted before, and remain outstanding as of, the end of the most recently completed financial year ended December 31, 2012.

<b>Name</b>	<b>Option-based awards</b>				<b>Share-based awards</b>		
	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options (\$)<sup>(1)</sup></b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (\$)</b>	<b>Market or payout value of vested share-based awards not paid out or distributed (\$)</b>
Brian Wright, President and Chief Operating Officer	250,000	\$0.12	January 18, 2015	NIL	NIL	NIL	NIL

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Carl McGill, Chief Executive Officer	250,000	\$0.10	June 1, 2016	NIL	NIL	NIL	NIL
Johnny Oliveira, Chief Financial Officer	100,000	\$0.05	August 4, 2015	NIL	NIL	NIL	NIL

Note:

- (1) The value of option-based awards is based on the closing price on the CNSX for the common shares on the last day of the fiscal year, December 31, 2012, namely \$0.04 per share.

### INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the Named Executive Officers for the financial year ended December 31, 2012.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Brian Wright, President and Chief Operating Officer	NIL	NIL	NIL
Carl McGill, Chief Executive Officer	NIL	NIL	NIL
Johnny Oliveira, Chief Financial Officer	NIL	NIL	NIL

The terms of the Stock Option Plan are discussed in detail above under the heading “*Long Term Incentive Plans (LTIP) Awards – Equity Compensation Plan Information*”.

### OTHER COMPENSATION MATTERS

#### Pension Plan Benefits

There are no pension plan benefits or other retirement benefits in place for any of the Named Executive Officers or directors.

#### Termination of Management Contracts or of Employment and Change of Control Benefits

Other than as set forth below there are no plans or agreements or arrangements in place with respect to any of the Named Executive Officers for termination of employment or change in control benefits. See below under the heading “*Interest of Certain Persons and Companies in Matters to be Acted Upon and Interests of Informed Persons in Material Transactions*” for details of relevant contract provisions.

Under the Corporation’s stock option plan, all options expire 30 days after a person ceases to be an officer, director or consultant or leaves the employ of the Corporation. In the event of a change in control of the Corporation or in the event of a sale by the Corporation of all or substantially all of the property or assets of the Corporation, all optionees under the Stock Option Plan become entitled to exercise all options held by such optionee, whether or not vested at such time, within 90 days of the close of any such transaction.



## Indebtedness of Directors, Executive Officers and Employees

No individual who is or, at any time since the beginning of the most recently completed financial year, was a director, senior officer or employee of the Corporation, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of any such director, senior officer, employee or proposed nominee is or, at any time since the beginning of the last completed financial year, was indebted to the Corporation.

## Management Contracts

Reference is made to the section entitled “*Interest of Certain Persons and Companies in Matters to be Acted Upon and Interests of Informed Persons in Material Transactions*” for details of the management contracts entered into by the Corporation.

## DIRECTORS’ COMPENSATION

GoldTrain has and had no arrangements, standard or otherwise, pursuant to which directors are or were compensated by GoldTrain for their services in their capacity of Directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this Circular other than as described in this Circular. Although the directors currently receive no fees for acting as directors of the Corporation, they are entitled to participate in the Stock Option Plan (see “*Long Term Incentive Plans (LTIP) Awards – Equity Compensation Plan Information*”). Accordingly, their compensation is designed to align their interests with the returns to shareholders. In addition, certain directors received or participated in fees payable by the Corporation to their firms (see “*Interest of Certain Persons or Companies in Matters to be Acted Upon and Interests of Informed Persons in Material Transactions*”).

The following table sets out all amounts of compensation provided to the directors for the Corporation’s financial year ended December 31, 2012. The compensation provided to directors who are also NEOs is not shown on the following table but is included in the Summary Compensation Table for NEOs which appears in the section above entitled “*Compensation of Named Executive Officers*”.

### DIRECTOR COMPENSATION TABLE

**THE FOLLOWING TABLE SETS OUT ALL AMOUNTS OF COMPENSATION PROVIDED FOR DIRECTORS OTHER THAN THE NEOS FOR THE CORPORATION’S FINANCIAL YEAR ENDED DECEMBER 31, 2012.**

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			
Bruce Reid	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Frank Smeenk	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Donald A. Sheldon	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
John Siriunas	2012	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

## Factors in Awarding Director Compensation

Directors of GoldTrain do not receive any compensation for attending meetings of the directors, meetings of the Audit Committee or meetings of the shareholders of GoldTrain. The directors are eligible to be granted stock options, as described above under the heading “*Long Term Incentive Plans (LTIP) Awards - Equity Compensation Plan Information*”.

### Incentive Plan Awards (Directors)

Directors are eligible to participate in the Stock Option Plan. Directors are not entitled to bonuses or to other non-equity incentive plans.

The following table sets forth certain information concerning option-based and share-based awards granted to directors other than NEOs outstanding as of, the end of the most recently completed financial year ended December 31, 2012.

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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Bruce Reid	150,000	0.10	June 1, 2016	NIL	NIL	NIL
Frank Smeenk	200,000	0.12	January 18, 2015	NIL	NIL	NIL
	150,000	0.10	June 1, 2016	NIL	NIL	NIL
Donald A. Sheldon	250,000	0.12	January 18, 2015	NIL	NIL	NIL
John Siriunas	150,000	0.12	January 18, 2015	NIL	NIL	NIL

Note:

- (1) The value of option-based awards is based on the closing price on the CNSX for the common shares on the last day of the fiscal year, December 31, 2012, namely \$0.04 per share.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the directors other than the NEOs for the financial year ended December 31, 2012.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bruce Reid	NIL	NIL	NIL
Frank Smeenk	NIL	NIL	NIL
Donald A. Sheldon	NIL	NIL	NIL
John Siriunas	NIL	NIL	NIL

The terms of the Stock Option Plan are discussed in detail above under the heading “*Long Term Incentive Plans (LTIP) Awards – Equity Compensation Plan Information*”.

## PART THREE

### CORPORATE GOVERNANCE AND OTHER MATTERS

National Instrument 58-101- *Disclosure of Corporate Governance Practices*, establishes corporate governance guidelines which apply to all public companies. GoldTrain has reviewed its own corporate governance guidelines which comply with all applicable requirements.

#### THE BOARD

The Board of the Corporation and its senior management believe that the Corporation has established and operates in an environment of effective internal control with strong corporate governance structures and procedures in place. John Siriunas and Frank Smeenk are independent directors within the meaning of the *Canada Business*

*Corporations Act.* Brian Wright is not independent because he is the President and Chief Operating Officer of the Corporation. Carl McGill is not independent because he is the Chief Executive Officer of the Corporation.

Certain of the directors are also directors of other reporting issuers (or the equivalent) in Ontario or in another jurisdiction within Canada as follows:

<b>Director</b>	<b>Other Reporting Issuers</b>
Frank Smeenk	Debut Diamonds Inc. KWG Resources Inc. MacDonald Oil Exploration Ltd.
John Siriunas	Tartisan Resources Corp. N.W.T. Copper Mines Limited Shield Gold Inc.
Carl McGill	Carlisle Goldfields Limited

### **Mandate of the Board**

The Board of the Corporation has assumed the responsibility for, among other things, enhancing shareholder value, reviewing and approving strategic plans and priorities, operating plans and capital budgets, senior management planning and succession, annual corporate performance and dividend policy. Some of these duties are delegated to committees as set out below. The Board has delegated the authority to manage the day-to-day operations of the Corporation to senior management. All significant decisions that might affect the Corporation are brought before the Board for review and approval before they are implemented.

### **Chairman**

The Corporation currently does not have a Chairman.

### **Orientation and Continuing Education**

The Board has not had a formal continuing education program. However, the Board anticipates implementing a policy for encouraging continuing education program for directors. Under such a policy, new directors, when added, would be provided with access to information, including sufficient historical data, to become familiar with the Corporation and its operating facilities and assets, and to familiarize themselves with the procedures of the Board. All directors would be given the opportunity to visit the Corporation's offices with management and to interact with and request briefings from management in order to familiarize themselves with the business. All directors would be encouraged to become members of the Institute of Corporate Directors. Members of the Board may also engage outside consultants at the expense of the Corporation to review matters on which they feel they require independent advice.

### **Ethical Business Conduct**

The Board considers effective communication between itself and the shareholders essential. The Board is responsible for reviewing the Corporation's annual and quarterly financial statements and other continuous disclosure documents such as management information circulars sent to shareholders for shareholder meetings. GoldTrain is committed to full, true and plain public disclosure of all material information in a timely manner in order to keep security holders and the investing public informed about the Corporation's activities. The objective is to ensure that communications to the investing public are timely, factual, accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements.

Management is expected by the Board to comply with all statutes, regulations, and administrative policies applicable to GoldTrain, to supervise employees and consultants in such a manner as to be informed of their activities, to promote the free flow of information, and allow employees, consultants and others to anonymously report to any member of management or the board of directors on concerns involving accounting and other issues (protection of "whistleblowers"). Management is expected by the Board to report to the Board regarding any concerns with respect to the foregoing, which are of a material nature, whether or not a satisfactory resolution was already implemented by management, or which management believes are reasonably likely to arise in the future and which would be of a material nature.

Every director of GoldTrain who is in any way directly or indirectly interested in a contract or a proposed contract with GoldTrain must declare his or her interest at a meeting of the directors of GoldTrain in accordance with applicable law and then withdraw from that part of the meeting at which the proposed contract is considered by the remaining directors. Such a declaration should be made at the meeting of directors at which the question of entering into the contract is first considered, if his or her interest then exists, or in any other case at the first meeting of the directors after the acquisition of his or her interest and no director shall as a director vote in respect of any contract or arrangement in which he or she is interested as aforesaid, and if he or she does so vote, his or her vote shall not be counted. Any materials prepared for a meeting of the Board and referencing the contract in question will be redacted for the director concerned and he or she will absent himself from all discussions at such meetings relating to the contract in question.

### **Nomination of Directors**

The full Board is responsible for recommending candidates for nomination for election to the Board. The Board periodically and at least annually is expected to consider the composition of the Board, including the appropriate skills and characteristics required of the directors in the context of the business experience and specific areas of expertise of each current director. The Board is also responsible for recruiting and recommending candidates for election as directors when necessary. Candidates should be interviewed by individual members of the Board prior to their nomination for election as a director.

### **Compensation of Officers and Directors**

The Board is responsible for reviewing and approving corporate goals and objectives relevant to executive compensation and evaluating performance relative to those goals and objectives. It has not constituted a compensation committee, rather it is the full Board which considers matters regarding compensation and makes recommendations regarding compensation. Performance is defined to include achievement of GoldTrain's strategic objective of growth and enhancement of shareholder value through increases in stock price. It is the responsibility of the Board as a whole to determine the level of compensation in respect of GoldTrain's senior executives with a view to providing such executives with a competitive compensation package having regard to responsibilities and performance. The total compensation from all sources, including salary, bonus, and stock options should be considered.

Other than as set forth above under the heading "*Director Compensation*", no compensation was paid to directors of GoldTrain during the fiscal year ended December 31, 2012 in their capacities as directors and no standard or other compensation arrangements are in place for the directors in their capacities as directors. Except as disclosed in this Circular, there were no other arrangements for compensation of directors of GoldTrain as consultants or experts by GoldTrain or any of its subsidiaries during the most recently completed financial year.

Although there is currently no policy to pay fees to directors for acting as directors of GoldTrain, they may participate in the Stock Option Plan. Accordingly, their compensation is designed to align their interests with the returns to shareholders (see above under "*Long Term Incentive Plan (LTIP) Awards – Equity Compensation Plan Information*"). In addition, certain directors receive fees for providing professional and other services.

### **Other Board Committees**

The Board is legally obligated to have one committee, the Audit Committee. The Audit Committee supervises the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, including through discussions with external auditors. Further information regarding the Audit Committee may be found under the heading "*Audit Committee*" below.

### **Assessments**

The full Board is responsible for evaluating the performance of directors by annually reviewing the performance of nominees for re-election to the Board, with the objectives of: ensuring comprehensive and independent oversight of the management of GoldTrain, maintaining the directors' working relationship with management, and promoting open communication and disclosure by management of material information to the board of directors.

The Board is expected to monitor the effectiveness of the Audit Committee on an on-going basis and to require the Audit Committee to report to the Board on the proceedings of each Audit Committee meeting.

## COMMITTEES OF THE BOARD

### **Audit Committee:**

#### *Audit Committee Charter*

The text of the Audit Committee's charter is attached as Schedule "A" hereto. The Audit Committee's charter was adopted by the board of directors of Hall Train Entertainment Inc. a predecessor of GoldTrain (prior to its amalgamation with Goldwright Explorations Inc. to continue as GoldTrain Resources Inc. effective April 27, 2009). That charter continues as the Audit Committee charter for GoldTrain.

#### *Composition and Independence of Audit Committee*

The Audit Committee is currently composed of three (3) members, John Siriunas, Carl McGill and Frank Smeenk. Each of Frank Smeenk and John Siriunas is independent as defined in National Instrument 52-110 "Audit Committees" ("NI 52-110"). Carl McGill is not independent because he is the Chief Executive Officer.

Following the Meeting, a new Audit Committee will be appointed by the newly-elected Board from among the Board members. Some or all of the current members may be re-appointed.

#### *Financial Literacy*

MI 52-110 provides that an individual is "financially literate" if he or she has 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 reasonably be expected to be raised by the issuer's financial statements.

All of the members of the Audit Committee are financially literate.

#### *Relevant Education and Experience*

Each Audit Committee member possesses certain education and experience which is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, education or experience which provides the member with one or more of the following: an understanding of the accounting principles used by the Corporation to prepare its financial statements; the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

John Siriunas has served as a director of the Corporation since July 10, 2009. He has been involved in the active supervision of individuals who engaged in the preparation, analysis and evaluation of the financial statements, and possesses an understanding of internal controls and procedures for financial reporting. He has also had experience as an officer and a director of other mining and mineral exploration companies, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

Carl McGill has served as a director of the Corporation since 2011. He has had experience as an officer and a director of other mining and mineral exploration companies, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

Frank Smeenk has served as an independent director of the Corporation since 2011 working with other members of the Board responsible for the stewardship of the Corporation. He has had experience as an officer and a director of other mining and mineral exploration companies, including experience in the preparation, analysis and evaluation of financial statements comparable to the breadth and complexity of the Corporation's financial statements.

### *Mandate*

The mandate of the Audit Committee is to oversee the Corporation's financial reporting processes and to liaise with the external auditors. In addition to reviewing the financial controls of the Corporation which are its ongoing responsibility, the Audit Committee reviews the annual financial statements, quarterly financial statements, management's discussion and analyses and any other significant financial issues. The Audit Committee must satisfy itself that the mineral reserve (if any) and mineral resource reports are reasonable by conferring with the independent engineers or geoscientists who produced such reports. The Audit Committee is projected to meet at least four (4) times a year and otherwise as frequently and at such intervals as it determines is necessary to carry out its duties and responsibilities, including meeting separately with the external auditors.

### *Audit Fees*

The following table sets forth the fees billed to the Corporation and its subsidiaries by Palmer Reed, Chartered Accountants, for services rendered in the fiscal years ended December 31, 2012 and 2011:

<b>PALMER REED</b>	<b>2012 (\$)</b>	<b>2011 (\$)</b>
Audit fees	8,000	9,500
Audit-related fees	NIL	NIL
Tax fees	NIL	NIL
All other fees	NIL	NIL
<b>Total</b>	<b>8,000</b>	<b>9,500</b>

### *Reliance on Exemption*

The Corporation is a venture issuer as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 "Composition of Audit Committees" and Part 5 "Reporting Obligations" of NI 52-110.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON AND INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Management is not aware of any material interest, direct or indirect, of any "informed person" of the Corporation, insider of the Corporation, proposed director, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation, except as set out below. An "informed person" means (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, (iii) a director or officer of a company that is itself an informed person of the Corporation or of a subsidiary of the Corporation, and (iv) any person who has been a director or officer of the Corporation at any time since the beginning the Corporation's last fiscal year. Information relating to management companies has been supplied by the applicable officers and directors.

Certain corporate entities and consultants that are related to the Corporation's officers and directors or persons holding more than 10% of the issued and outstanding common shares of the Corporation provide consulting and other services to GoldTrain. All transactions were conducted in the normal course of operations at the amount of consideration established and agreed to by the related parties.

Carl McGill has agreed to provide services as Chief Executive Officer of the Corporation for \$3,000 per month pursuant to a verbal agreement between Mr. McGill and the Corporation entered into on June 1, 2011. He has been paid to August 2012 and his fees since that date have accrued but have not been paid.

Pursuant to an employment agreement dated June 1, 2011 between the Corporation and Brian Wright (the "**Wright Agreement**"), Mr. Wright received \$7,000 per month for his services as Chief Operating Officer of the Corporation, is entitled to participate in the Stock Option Plan and may receive a bonus in the sole discretion of the Board. The Wright Agreement was terminated in December 2012.

Pursuant to a services agreement dated August 6, 2011 between the Corporation and 1822801 Ontario Inc., a corporation wholly-owned by Johnny Oliveira, as revised effective June 1, 2012 (the “**Oliveira Agreement**”), Mr. Oliveira receives \$3,000 per month for his services as Chief Financial Officer of the Corporation, of which up to one-third may be paid in common shares of the Corporation at the option of the Corporation at a price per share equal to the latest closing price at the applicable time on the stock exchange on which the shares are then listed. Mr. Oliveira holds office at the pleasure of the Board and either party may terminate the agreement upon 30 days notice for an uncured breach thereof, immediately upon bankruptcy or liquidation of the other party or upon 60 days notice for convenience.

## **REGULATORY MATTERS, BANKRUPTCIES AND INSOLVENCIES**

To the knowledge of the Corporation, no nominee for director of the Corporation is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

- (1) was 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, that was issued while that person was acting as director, chief executive officer or chief financial officer; or
- (2) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and that resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (3) while that person was acting in the capacity as director, chief executive officer or chief financial officer 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.

## **PERSONAL BANKRUPTCIES, ETC**

To the knowledge of the Corporation, no nominee for director, nor any personal holding company of any such nominee, has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the proposed director.

## **PENALTIES UNDER SECURITIES LEGISLATION**

To the knowledge of the Corporation, except as set out below, no nominee for director, nor any personal holding company of any such nominee, (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by 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, nor has any nominee for director entered into a settlement agreement with a securities regulatory authority.

## **PART FOUR**

### **PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING**

#### **FINANCIAL STATEMENTS**

The audited comparative financial statements of the Corporation for the years ended December 31, 2012 and December 31, 2011, together with the report of the auditors thereon, will be presented to the shareholders at the Meeting. These documents are available upon request on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **APPOINTMENT OF AUDITORS**

Shareholders will be requested to re-appoint Palmer Reed, Chartered Accountants, Toronto, Ontario, as auditor of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their

remuneration and the terms of their engagement. Palmer Reed was first appointed auditor of the Corporation in 2009.

To be approved, the resolution requires the affirmative vote of a majority of the votes cast on the resolution. **Proxies received in favour of management will be voted in favour of the re-appointment of Palmer Reed as auditor of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors to fix the auditors' terms of engagement and remuneration, unless the shareholder has specified in a proxy that his, her or its shares are to be withheld from voting in respect thereof.**

## ELECTION OF DIRECTORS

The Articles of Amalgamation of the Corporation provide that the Corporation shall have a minimum of three (3) and a maximum of eleven (11) directors. The number of directors was increased by the Board on October 27, 2011 and fixed at six (6). The current directors are Carl McGill, John Siriunas, Frank Smeenk and Brian Wright. The terms of office of each director will expire on the date of the Meeting when the new Board is elected. Following the recent resignations of Donald A. Sheldon and Bruce Reid, it is proposed that the number of directors on the Board be decreased to four (4). All four current directors of the Corporation will be standing for re-election at the Meeting.

The following table sets forth certain information concerning management's nominees for election as directors, including the approximate number of common shares of the Corporation beneficially owned or controlled, directly or indirectly, by each of them, based upon information furnished by them to management of the Corporation.

Name, Province and Country of Residence	Office or Position held in the Corporation, current and former, if any	Chief Occupation	Number of Shares of the Corporation beneficially owned, directly or indirectly, or over which control and direction are exercised <sup>(2)</sup>
Carl McGill <sup>(1)</sup> Ontario, Canada	Served as Chief Executive officer since June 1, 2011 and as a director since October 2011	Self-employed consultant; Vice-President Carlisle Goldfields Limited (since January 28, 2010) and, prior thereto, President (2008 to 2010), Carlisle Goldfields Limited; prior thereto, self-employed consultant	NIL
John Siriunas <sup>(1)</sup> Ontario, Canada	served as a director since July 2009	Self-employed consultant; director of Shield Gold Inc., director of Tartisan Resources Corp and formerly President of Cuervo Resources Inc. (mineral exploration companies)	310,000 common shares
Frank Smeenk <sup>(1)</sup> Ontario, Canada	served as a director since October 2011	President of KWG Resources Inc.; Managing Director of Debut Diamonds Inc.	8,451,000 <sup>(3)</sup> common shares
Brian Wright Ontario, Canada	President and Chief Operating Officer (Chief Executive Office from April 2009 until June 1, 2011) and served as a director since April 2009	President of GoldTrain	1,159,565 common shares

Note:

- (1) Member of the Audit Committee.
- (2) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the directors individually.
- (3) Of this number, 1,167,000 are held directly by Mr. Smeenk and 7,284,000 are controlled (but not owned) by Mr. Smeenk through KWG Resources Inc.

Directors will be elected by the affirmative vote of a majority of the votes cast on the resolution and will hold office until the next annual meeting of shareholders or until the directors' respective successors are duly elected or appointed. **The persons named in the accompanying form of proxy intend to vote the shares represented thereby for the election of the nominees named above as directors of the Corporation, unless the shareholder**



has specified in the proxy that the shares represented thereby are to be withheld from voting in respect thereof. Management has no reason to believe that any of the nominees named above will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy shall have the right to vote for another nominee in such proxyholder's discretion, unless the proxy withholds authority to vote for the election of directors.

## **CONFIRMATION OF ADVANCE NOTICE BY-LAW**

### ***Background***

On May 21, 2013, the Board of Directors of the Corporation adopted a by-law of the Corporation to require advance notice to the Corporation in circumstances where nominations of persons for election to the Board of Directors are made by shareholders of the Corporation other than pursuant to: (a) a direction of the Board of Directors of the Corporation; (b) a shareholder requisition made pursuant to the provisions of the *Canada Business Corporations Act* (the "Act"); or (c) a shareholder proposal made pursuant to the provisions of the Act (the "**Advance Notice By-Law**"). The Advance Notice By-Law was effective immediately upon adoption and, to remain in effect following termination of the meeting, must be confirmed by a resolution passed by a simple majority of the votes cast by shareholders at the Meeting. The full text of the Advance Notice By-Law is set forth in Schedule "B" of this Information Circular.

### ***Purpose of the Advance Notice By-Law***

The directors of the Corporation are committed to: (i) facilitating an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice By-Law is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. The Advance Notice By-Law fixes a deadline by which holders of record of Common Shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

### ***Terms of the Advance Notice By-Law***

The following information is intended as a brief description of the Advance Notice By-Law and is qualified in its entirety by the full text of the Advance Notice By-Law, a copy of which is attached as Schedule "B" to this Information Circular. The terms of the Advance Notice By-Law are summarized below:

The Advance Notice By-Law provides that advance notice to the Corporation must be made in circumstances where nominations of persons for election to the Board of Directors are made by a shareholder of the Corporation other than pursuant to: (i) a direction or approval of the Board of Directors of the Corporation; (ii) a shareholder proposal made in accordance with the Act; or (iii) a shareholder requisition made in accordance with the Act. Among other things, the Advance Notice By-Law fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Chairman of the Board prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the Chairman of the Board for an effective nomination to occur. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice By-Law.

In the case of an annual meeting of shareholders, notice to the Corporation must be made not fewer than 30 and not more than 65 days prior to the date of the annual meeting, unless such meeting is called for a date that is fewer than 50 days after the date on which the first public filing or announcement of the date of such meeting was made, in which case notice must be made not later than the close of business on the 10<sup>th</sup> day following the date of such filing or announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15<sup>th</sup> day following the day on which the first public filing or announcement of the date on which notice of such meeting was made.

## CONFIRMATION OF ADVANCE NOTICE BY-LAW BY SHAREHOLDERS

If the Advance Notice By-Law is approved at the Meeting, it will continue to be effective and in full force and effect in accordance with its terms and conditions beyond the termination of the Meeting. The board of directors of the Corporation intends to review the by-law amendment from time to time and update it to the extent needed to reflect changes required by securities regulatory agencies or stock exchanges, or so as to meet industry standards. If the Advance Notice By-Law is not approved at the Meeting, the Advance Notice By-Law will terminate and be of no further force or effect from and after the termination of the Meeting.

At the Meeting, shareholders will be asked to approve the following by ordinary resolution (the “**Advance Notice By-Law Resolution**”):

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of the Corporation, that:

1. The adoption by the Corporation of By-Law No. 2 of the Corporation, in the form of the by-law attached to this Circular of the Corporation, is hereby ratified, approved and confirmed without amendment and,
2. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution.”

**The Corporation’s board of directors recommends that shareholders vote “FOR” the approval of the Advance Notice By-Law Resolution. In the absence of a contrary instructions, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the approval of the Advance Notice By-Law Resolution.**

## AUTHORIZATION TO SUBDIVIDE THE COMMON SHARES ON A THREE-FOR-ONE BASIS

It is proposed that the Corporation subdivide its Common Shares at a ratio to be determined by the directors of the Corporation but not greater than on the basis of three (3) Post-Subdivision Common Shares for each one (1) Common Share currently outstanding. As at the date hereof, the Corporation has 49,422,611 Common Shares issued and outstanding. Upon the share subdivision becoming effective at the maximum ratio which the directors may approve, the 49,422,611 issued and outstanding Common Shares as at the date hereof will be subdivided into 148,267,833 issued and outstanding Post-Subdivision Common Shares. No other class of shares will be affected by the subdivision.

At such time as the directors may determine, if the share subdivision is approved by the shareholders, the Corporation will file Articles of Amendment with the Director, Industry Canada (the “**Ministry**”). Upon the issuance of a Certificate and Articles of Amendment by the Ministry effecting the share subdivision, each share certificate formerly representing Common Shares will be deemed for all purposes to represent the number of Post-Subdivision Common Shares to which such holder is entitled as a result of the subdivision.

Similarly, option, warrant and finder warrant certificates outstanding on the date of issuance of the Certificate and Articles of Amendment and representing a right to acquire Common Shares, shall, if the maximum ratio of 3:1 is implemented by the directors, immediately thereafter be deemed for all purposes to represent a right to acquire Post-Subdivision Common Shares equal to three times the number of Common Shares noted on the face of the certificate, the exercise price stated therein will be automatically divided by 3 and certain other terms thereunder will be automatically adjusted in accordance with the terms of the relevant certificate. The other terms and conditions of such shares, options, warrants and finder warrants will remain in full force and effect, unamended.

In the event that the Corporation wishes to exchange new certificates for the existing certificates representing Common Shares or options, warrants or other rights to acquire Common Shares at some point in the future, further instructions will be provided by the Corporation.

The subdivision of the Common Shares will not give rise to a capital gain or a capital loss under the *Income Tax Act* (Canada) for a shareholder who holds Common Shares as capital property. The aggregate adjusted cost base to each shareholder of all of his, her or its Post-Subdivision Common Shares immediately after the subdivision will be equal to the aggregate adjusted cost base of his, her or its Common Shares immediately before the subdivision. Accordingly, the adjusted cost base of each Post-Subdivision Common Share will be equal to one-third (1/3) of the

adjusted cost base of each Pre-Subdivision Common Share, if the directors implement the subdivision of Common Shares at the maximum ratio of 3:1.

In this regard the following special resolution will be proposed:

**“BE IT RESOLVED AS A SPECIAL RESOLUTION PURSUANT TO THE CANADA BUSINESS CORPORATIONS ACT, THAT:**

1. The amendment of the Articles of the Corporation to subdivide the issued and outstanding Common Shares of the Corporation at a ratio to be determined by the directors of the Corporation but not greater than three (3) Post-Subdivision Common Shares for each one (1) Common Share currently outstanding is hereby approved;
2. The effective date of such subdivision shall be the date shown on the Certificate and Articles of Amendment;
3. Any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise), at such time as the directors may determine, to execute and deliver Articles of Amendment to effect the foregoing resolutions and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such action; and
4. Notwithstanding the approval of the shareholders to the above resolutions, the directors of the Corporation may revoke the foregoing resolutions before the endorsement by the Director under the Act of a certificate of amendment of articles in respect of such amendment without further approval of the shareholders of the Corporation.”

**To be approved, the foregoing special resolution requires the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the votes cast on the special resolution. Proxies received in favour of management will be voted FOR the special resolution to subdivide the Common Shares of the Corporation at a ratio to be determined by the directors of the Corporation but not greater than three-for-one, unless the shareholder has specified in a proxy that his, her or its shares are to be voted against the special resolution.**

**CAPITAL REORGANIZATION OF THE CORPORATION**

The Corporation intends to create two new classes of shares, namely Subordinate Voting Shares and Multiple Voting Shares, as described below, to replace its outstanding Common Shares. Currently, given the current trading price of the Common Shares on the Canadian National Stock Exchange (the “**Exchange**”), the Common Shares are not marginable. The Corporation has determined that it would be better positioned to take advantage of opportunities to acquire additional assets in exchange for its securities if the Common Shares were marginable, as any such acquisition or other similar transaction would be more attractive to any potential counterparty. By virtue of creating the new classes of shares, the Corporation expects that the completion of any such transactions could be facilitated and therefore beneficial to the Corporation. As well, the Corporation anticipates that the Multiple Voting Shares may enhance the prospects for financing the operations of the Corporation.

*Summary of the Capital Reorganization*

The Corporation proposes, subject to all necessary shareholder and regulatory approvals, to reorganize the capital structure of the Corporation as follows (the “**Capital Reorganization**”):

- (a) by converting each outstanding Common Share into one share of a newly-created class of shares to be designated as “**Subordinate Voting Shares**” (the “**Conversion**”), such Conversion becoming effective concurrently with, and being subject to, the creation of the Subordinate Voting Shares; and
- (b) by amending the Articles to (i) create a new class of shares to be designated as “**Multiple Voting Shares**” and a new class of shares to be designated as “**Subordinate Voting Shares**”; and (ii)

immediately upon the Conversion becoming effective, remove the authorized Common Shares, none of which will be issued and outstanding and to repeal the provisions regarding the rights and restrictions attaching to the Common Shares set out in the Articles (the “**Amendment**”).

If the Amendment is adopted by the shareholders at the Meeting, the principal rights and restrictions attaching to the Subordinate Voting Shares and the Multiple Voting Shares will be as summarized below. **A copy of the full rights and restrictions attaching to the Subordinate Voting Shares and the Multiple Voting Shares is attached as Schedule “C” to this Management Information Circular.**

#### *Voting Rights*

The holders of the Subordinate Voting Shares and the Multiple Voting Shares shall be entitled to receive notice of and to attend (in person or by proxy) and be heard at all meetings of the shareholders of the Corporation (other than separate meetings of the holders of shares of any other class of shares of the Corporation or any other series of shares of such other class of shares as the same may come into existence) and to vote at all such meetings with each holder of Subordinate Voting Shares being entitled to one vote per Subordinate Voting Share held and each holder of Multiple Voting Shares being entitled to 50 votes per Multiple Voting Share held at all such meetings.

#### *Subordinate Voting Share and Multiple Voting Share Conversion Rights*

Holders of Subordinate Voting Shares shall be entitled to convert their Subordinate Voting Shares into Multiple Voting Shares, at their option, at any time or from time to time, on the basis of 50 Subordinate Voting Shares for one Multiple Voting Share and holders of the Multiple Voting Shares shall be entitled to convert their Multiple Voting Shares into fully paid and non-assessable Subordinate Voting Shares at their option, at any time or from time to time, on the basis of one Multiple Voting Share for 50 Subordinate Voting Shares. There are no restrictions on the right and ability of holders of either Subordinate Voting Shares or Multiple Voting Shares to participate in a takeover bid for either or both classes of shares, as the shares in each class are convertible into shares of the other class at any time.

Immediately after the amendment to the Articles, there will be no Multiple Voting Shares outstanding and the Corporation has no current intention of issuing Multiple Voting Shares other than for the purposes of completing any conversion of Subordinate Voting Shares into Multiple Voting Shares as described herein in the event the Capital Reorganization is completed. Any other Multiple Voting Shares will be issued only upon such further Exchange and shareholder approvals as may be required by law or by the Exchange. Accordingly, if the Capital Reorganization is completed, and no Subordinate Voting Shares are converted into Multiple Voting Shares, the Subordinate Voting Shares will represent 100% of the voting interest in the Corporation.

#### *Priority*

The holders of Subordinate Voting Shares and Multiple Voting Shares shall be entitled to participate as to dividends equally with each other on a pro-rata basis based on the number of votes attaching to each such shares and the Corporation shall pay dividends thereon, as and when declared by the Board out of monies properly applicable to the payment of dividends, in amounts per share and at the same time on all such Subordinate Voting Shares and Multiple Voting Shares at the time outstanding as the Board may from time to time determine. In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its security holders for the purpose of winding-up its affairs, all of the property and assets of the Corporation which remain after payment to the holders of any securities ranking in priority to the Subordinate Voting Shares and Multiple Voting Shares in respect of payment of all amounts attributed and properly payable to such holders of such other securities in the event of such liquidation, dissolution or winding-up or distribution, shall be paid and distributed equally on a pro-rata basis based on the number of votes attaching to each such share to the holders of the Subordinate Voting Shares and Multiple Voting Shares, without preference or distinction.

#### *Anti-Dilution*

None of the Subordinate Voting Shares or Multiple Voting Shares shall be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the other class is subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner so as to preserve the rights conferred on each class of shares.

### *Listing*

In effect, except for the difference in voting rights per share between the Subordinate Voting Shares and the Multiple Voting Shares, there are no differences between such shares. The Corporation intends to apply to the Exchange for approval of the Capital Reorganization and the listing of the Subordinate Voting Shares and, if considered advisable, the Multiple Voting Shares on the Exchange. Although the Corporation does not have any current intention to issue Multiple Voting Shares, in the event that a sufficient number of Subordinate Voting Shares are converted to meet the Exchange's distribution requirements, the Corporation intends to apply for a listing of the Multiple Voting Shares on the Exchange.

### *Share Conversion Procedure*

Provided that the Capital Reorganization is approved at the Meeting and the Board determines to proceed with the Capital Reorganization, the Corporation will mail to each registered holder of Common Shares, a letter of transmittal (the "**Letter of Transmittal**") and instruction letter (the "**Instruction Letter**") describing how to obtain their new Subordinate Voting Shares certificates in exchange for their certificate(s) evidencing their Common Shares. In addition, the Letter of Transmittal will also provide for such shareholders to elect to receive Multiple Voting Shares for the Subordinate Voting Shares to which they are entitled upon the conversion of the Common Shares by making such an election in the Letter of Transmittal. Shareholders of record will be requested to complete and return the Letter of Transmittal along with their Common Shares certificates to Computershare Investor Services Inc., which will issue and deliver to them certificates representing the Subordinate Voting Shares or, if such shareholders elect to convert the Subordinate Voting Shares to which they are entitled pursuant to the exchange of their Common Shares into Multiple Voting Shares as described herein, certificates representing the Multiple Voting Shares. No fractional Multiple Voting Share will be issued pursuant to the conversion of Subordinate Voting Shares into Multiple Voting Shares; any fractional Multiple Voting Share which would otherwise be issued shall be rounded down to the next whole share and without payment for any such fractional interest being rounded down.

**Non-registered shareholders of Common Shares should complete the documents provided to them by the intermediary that holds Common Shares on their behalf in accordance with the instructions provided by such intermediary to effect the conversion of the Common Shares into Subordinate Voting Shares or the conversion of Subordinate Voting Shares into Multiple Voting Shares pursuant to an election, as applicable.**

### *Income Tax Consequences*

The following summary, as of the date of this Management Information Circular, describes the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder in respect of the Capital Reorganization to shareholders who (i) hold their Common Shares of the Corporation and will hold Subordinate Voting Shares to be acquired by them pursuant to the Capital Reorganization as capital property for the purposes of the Tax Act; and (ii) at all relevant times are, or are deemed to be, resident of Canada for the purposes of the Tax Act.

Generally, the Corporation's Common Shares, Multiple Voting Shares and/or Subordinate Voting Shares will be considered to be capital property to a shareholder, provided such shareholder does not own the Corporation's Common Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain shareholders who might not otherwise be considered to hold any such assets as capital property may be entitled to have them treated as capital property in certain circumstances by making the irrevocable election permitted under subsection 39(4) of the Tax Act.

This summary is not applicable to a shareholder that is a "financial institution" (as defined in the Tax Act for the purposes of the "mark-to-market" rules), a "specified financial institution", or to a shareholder an interest in which is a "tax shelter investment" (as such terms are defined in the Tax Act). This summary is also not applicable to a shareholder that makes an election under section 85 of the Tax Act in respect of the Capital Reorganization or any subsequent conversion of Subordinate Voting Shares into Multiple Voting Shares. Any such shareholder should consult its own tax advisor with regard to its income tax consequences.

This summary is of a general nature only, based upon the facts set out in this Circular and upon the current provisions of the Tax Act in force as of the date of this Circular and counsel's understanding of the current published administrative and assessing practices of the Canada Revenue Agency ("**CRA**"). The summary takes into account all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular (the "**Proposed Amendments**"). There can be no

assurance that all of the Proposed Amendments will be implemented in their current form or at all. The summary otherwise does not take into account or anticipate any changes in the laws whether by legislative, regulatory or judicial decision or action which may affect adversely any income tax consequences described herein and does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described herein, unless otherwise indicated.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the transactions contemplated by the Capital Reorganization or to the holding of the Corporation's Common Shares, Subordinate Voting Shares or Multiple Voting Shares. Furthermore, the income and other income tax considerations will vary depending on the shareholder's particular circumstances, including the province or provinces in which the shareholder resides or carries on business. Accordingly, the summary is of a general nature only and is not intended to be legal or tax advice to any shareholder. Shareholders should consult their own tax advisors for advice with respect to the tax consequences of these transactions based on their particular circumstances.

The Capital Reorganization comprises a concurrent conversion and amendment to the Articles of the Corporation whereby each of the Corporation's Common Shares will be converted for one Subordinate Voting Share. Each 50 Subordinate Voting Shares will in turn be convertible pursuant to their terms and conditions into one Multiple Voting Share.

On the Capital Reorganization, a shareholder will be deemed to have disposed of the Common Shares for proceeds of disposition equal to their adjusted cost base to such shareholder and will be considered to have acquired the Subordinate Voting Shares for proceeds of disposition at a cost equal to the same amount. Accordingly, the shareholder will not realize a capital gain or incur a capital loss on the conversion of Common Shares into Subordinate Voting Shares under the Capital Reorganization.

On the conversion of Subordinate Voting Shares held by a shareholder into Multiple Voting Shares pursuant to the terms of the Subordinate Voting Shares, no disposition will be considered to occur and therefore the shareholder will not realize a capital gain or incur a capital loss. The shareholder will be deemed to acquire the Multiple Voting Shares at a cost equal to the adjusted cost base of the converted Subordinate Voting Shares and such cost will be averaged with the adjusted cost base of any other Multiple Voting Shares held by the shareholder as capital property.

#### *Shareholder Approval*

The proposed Capital Reorganization must be approved by a majority of not less than two-thirds of the votes cast by the shareholders who vote in respect of the proposed Capital Reorganization (the "**Capital Reorganization Resolution**").

As such, at the Meeting, the shareholders will be asked to consider and, if appropriate, approve the Capital Reorganization Resolution in the form appended to this Circular as Schedule "C" authorizing the Capital Reorganization.

**The Board is recommending that shareholders vote FOR the approval of the Capital Reorganization Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the approval of the Capital Reorganization Resolution.**

The Capital Reorganization Resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the Capital Reorganization, without further approval of the shareholders. In particular, if the special resolution is presented to the Meeting and approved, the Corporation may thereafter determine not to proceed with the Capital Reorganization.

#### *Shareholders Right to Dissent*

Pursuant to Section 190 of the *Canada Business Corporations Act* (the "**CBCA**"), a shareholder of the Corporation may, in connection with the Capital Reorganization Resolution, exercise the right to dissent and demand that the Corporation repurchase its Common Shares as described in this Circular under the heading "Right to Demand Repurchase of Common Shares".

### **AMENDMENT TO STOCK OPTION PLAN**

In the event that the Capital Reorganization is completed, the Common Shares will be cancelled and each

holder of such Common Shares will receive one Subordinate Voting Share for each such Common Share held. Accordingly, in accordance with the terms of the Stock Option Plan, outstanding options to purchase Common Shares will be adjusted to provide that each such option will entitle the holder to acquire one Subordinate Voting Share for each Common Share that would previously have been acquired at the same exercise price. In addition, outstanding Multiple Voting Shares will be taken into account for purposes of determining the maximum number of Subordinate Voting Shares that may be reserved and set aside for issuance under the Stock Option Plan. Accordingly, and because no options granted under the Stock Option Plan will be exercisable to acquire Multiple Voting Shares, the Corporation has amended the Stock Option Plan, subject to the completion of the Capital Reorganization, to provide that the maximum number of Subordinate Voting Shares which may be reserved for issuance under the Plan will not exceed 10% of the number of issued and outstanding Subordinate Voting Shares, calculated on the basis that all Multiple Voting Shares then outstanding have been converted to Subordinate Voting Shares. All other terms and conditions of the Stock Option Plan will remain substantially similar. A copy of the Stock Option Plan, as amended, is attached as Schedule "E" to this Management Information Circular.

Therefore, at the Meeting, shareholders of the Corporation entitled to vote on the matter will be asked to consider and, if thought advisable, pass an ordinary resolution to amend the Stock Option Plan (the "**Stock Option Plan Amendment Resolution**"), the full text of which is set out below.

The text of the proposed resolution is set forth below:

**"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. Subject to the Capital Reorganization being completed and to all necessary approvals being obtained, the Rolling Share Option Plan of the Corporation, as amended, providing, amongst other things, that the maximum number of Subordinate Voting Shares of the Corporation to be reserved for issuance under the Rolling Share Option Plan, as amended, shall not exceed 10% of the issued and outstanding Subordinate Voting Shares of the Corporation calculated on the basis that all Multiple Voting Shares have been converted to Subordinate Voting Shares of the Corporation is hereby approved;
2. Notwithstanding that this resolution has been duly passed by the shareholders of the Corporation or has received all required approvals, the board of directors of the Corporation may, in its sole discretion, determine not to proceed with the amendment to the Rolling Share Option Plan, as amended, or revoke this resolution at any time, without further approval of the shareholders of the Corporation; and
3. Any one director or officer of the Corporation is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

**The Board is recommending that shareholders vote FOR the approval of the Stock Option Plan Amendment Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote for the Stock Option Plan Amendment Resolution.**

**RIGHT TO DISSENT**

Registered Shareholders have the right to dissent in respect of the Capital Reorganization and, if the capital Reorganization becomes effective, to be paid the fair value of their shares in strict compliance with the provisions of Section 190 of the *Canada Business Corporations Act* (the "Act"). **Failure by a dissenting shareholder to adhere strictly to the requirements of Section 190 of the CBCA may result in the loss of such dissenting shareholder's rights.** See "*Dissenters' Rights*"

**DISSENTERS' RIGHTS**

Any holder of Common Shares is entitled to be paid the fair value of all, but not less than all, of his securities in accordance with Section 190 of the CBCA if such holder dissents to the Capital Reorganization and the Capital Reorganization becomes effective.

A securityholder is not entitled to dissent with respect to such holder's securities if such holder votes any of those shares in favour of the Capital Reorganization Resolution. Voting against or the execution or exercise of a proxy to vote against the Capital Reorganization Resolution does not constitute a written notice of dissent or objection for the purposes of the CBCA. A brief summary of the provisions of Section 190 of the CBCA is set out below. The following summary does not purport to provide comprehensive statements of the procedures to be followed by a Dissenting Shareholder under the CBCA. However, the CBCA requires adherence to the procedures set out therein and failure to do so may result in the loss of all of the dissenter's rights. **Accordingly, each securityholder who might desire to exercise dissenter's rights should carefully consider and comply with the applicable provisions of the CBCA and should also consult with his legal advisor.** A copy of Section 190 of the CBCA is attached as Schedule "D" hereto.

### **Section 190 of the CBCA**

In order to exercise the right of dissent a Dissenting Shareholder must at or before the Meeting deliver to the Corporation, a written objection pursuant to Section 190 of the CBCA with respect to the Capital Reorganization Resolution. After the Capital Reorganization Resolution is approved by the securityholders and if the Corporation notifies the Dissenting Shareholder of its intention to act upon the Capital Reorganization Resolution, the Dissenting Shareholder is then required within 20 days after receiving such notice (or, if he does not receive such notice, within 20 days after learning of the approval of the Capital Reorganization Resolution), to send to the Corporation, a written notice containing the holder's name and address, the number and class of securities in respect of which the holder dissents and a demand for payment of the fair value of such shares. Within 30 days thereafter, the holder must send to the Corporation, the certificates for the securities in respect of which the holder dissents. A Dissenting Shareholder must dissent with respect to all securities held by the shareholder. Failure to comply with the statutory procedure will disqualify the Dissenting Shareholder from pursuing or enforcing the right of dissent.

If the Capital Reorganization approved by the Capital Reorganization Resolution becomes effective, the Corporation is required to determine the fair value of the Common Shares, and to make a written offer to pay such amount to the Dissenting Shareholder. If such offer is not made or, if made, is not accepted within 50 days after the Capital Reorganization becomes effective, the Corporation, may apply to the Court for an order requiring such holder's securities to be purchased, fixing the price and terms of the purchase, and the Court may make such order and such consequential orders or directions as the Court considers appropriate. There is no obligation on the Corporation to make application to the Court. If the Corporation fails to make such application to the Court, the Dissenting Shareholder has the right to make the application to the Court within a further 20 days or such further period as the Court may allow.

The Dissenting Shareholder, if the procedure for exercising the right of dissent is followed properly (and not withdrawn), will be entitled to receive the fair value of the Common Shares, held by such holder as of the day before the Meeting or such later date on which the Capital Reorganization Resolution is passed.

### **Address for Notice**

All notices to the Corporation pursuant to Section 190 of the CBCA should be addressed to the Corporation's solicitors:

Sheldon Huxtable Professional Corporation  
Suite 1801, 180 Dundas Street West  
Toronto, Ontario, M5G 1Z8  
Attention: Donald A. Sheldon

### **Strict Compliance with Dissent Provisions Required**

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of his Common Shares. Section 190 of the CBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each securityholder who might desire to exercise the dissenters' rights should carefully consider and comply with the provisions of the section, the full text of which is set out in Schedule "D" to this Circular, and consult such holder's legal advisor.



### **OTHER BUSINESS**

While management of the Corporation is not aware of any business other than that mentioned in the Notice to be brought before the Meeting for action by the shareholders, **it is intended that the proxies hereby solicited will be exercised upon any other matter or proposal that may properly come before the Meeting, or any adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be obtained by accessing the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact Carl McGill at (416) 278-8406 or Brian Wright at (705) 967-0216 to request copies of the Corporation's financial statements and management's discussion and analysis, free of charge.

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

### **BOARD APPROVAL**

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

DATED at Toronto, Ontario, as of the 21<sup>st</sup> day of May, 2013.

By Order of the Board of Directors

*"Carl McGill"*

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Carl McGill, Chief Executive Officer

**SCHEDULE “A”**  
**GOLDTRAIN RESOURCES INC.**  
(the “Corporation”)

**CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**PURPOSE**

The Audit Committee (the “Committee”) is a committee of the board of directors of the Corporation (the “Board”) established by and among the Board for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation. This Charter of the Audit Committee sets out the mandate and responsibilities of the Committee as delegated to it by the Board.

**COMPOSITION**

The Committee shall consist of a minimum of three (3) directors of the Corporation the majority of whom shall not be officers or employees of the Corporation or its affiliates (as that term is defined in the *Canada Business Corporations Act*) and only directors of the Corporation may be members of the Committee. All members of the Committee shall, to the satisfaction of the Board, be “financially literate” as such term is defined in section 1.6 of National Instrument 52-110 Audit Committees (“NI 52-110”) or become financially literate as permitted by section 3.8 of NI 52-110. The members of the Committee shall be appointed by the Board to hold office until the following annual shareholders’ meeting.

**DUTIES AND RESPONSIBILITIES**

The Committee will:

- (a) review and report to the Board on the following before they are approved by the Board or publicly disclosed:
  - (i) the annual financial statements and management’s discussion and analysis (“MD&A”) of the Corporation as defined in National Instrument 51-102 *Continuous Disclosure Obligations*; and
  - (ii) the auditors’ report, if any, prepared in relation to those financial statements;
- (b) review and approve, as delegates of the Board, the interim financial statements of the Corporation and the accompanying MD&A;
- (c) review the Corporation’s annual and interim earnings press releases, if any, before the Corporation publicly discloses this information;
- (d) satisfy itself that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements and periodically assess the adequacy of those procedures;
- (e) recommend to the Board:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
  - (ii) the compensation of the external auditor;
- (f) directly oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (g) monitor, evaluate and report to the Board on the integrity of the financial reporting process and the system of internal controls that management and the Board have established;

- (h) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor;
- (j) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation; and
- (k) with respect to ensuring the integrity of disclosure controls and procedures over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

#### **IV. MEETINGS**

- (a) The Committee shall meet no less than four times per year. At least annually, the Committee shall meet separately with management and with the external auditors.
- (b) The external auditors of the Corporation will receive notice of every meeting of the Committee and may attend and be heard thereat, and, if requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the external auditors. The external auditors or any member of the Committee may call a meeting of the Committee.
- (c) The Board shall be kept informed of the Committee's activities by copies of minutes, at the next board meeting following each Committee meeting or by a verbal report, as the Committee may deem appropriate (see also "*Reporting*").

#### **V. QUORUM**

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the total members of the Committee.

#### **VI. AUTHORITY**

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set and pay the compensation for such advisors employed by the Committee.

The Committee has the authority to communicate directly with and to meet with the external auditor and the internal auditor, if any, without management or Board involvement.

#### **VII. REPORTING**

The external auditors of the Corporation are required to report directly to the Committee.

The reporting obligations of the Committee to the Board include:

- (a) reporting to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting; and
- (b) reviewing and reporting to the Board on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular, annual information form or annual MD&A prepared by the Corporation.

## SCHEDULE "B"

### BY-LAW NO. 2

#### ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

**BE IT ENACTED** and it is hereby enacted as a by-law of **GOLDTRAIN RESOURCES INC.** (hereinafter called the "**Corporation**") as follows:

1. Subject only to the *Canada Business Corporations Act* (the "**Act**") and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made:

- (a) by or at the direction of the Board of Directors of the Corporation (the "**Board**"), including pursuant to a notice of meeting, management information circular or otherwise; or
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or
- (c) by any person (a "**Nominating Shareholder**") who, (i) at the close of business on the date of the giving of the notice provided for below in this Section 1 and on the record date for notice of such meeting, is a registered or beneficial holder of one or more shares carrying the right to vote at such meeting and (ii) who complies with the notice procedures set forth below in this By-law:

(A) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Chairman of the Board at the registered office of the Corporation (a "**Notice**") in accordance with this By-law.

(B) To be timely, a Nominating Shareholder's Notice to the Chairman of the Board must be given:

- (I) in the case of an annual meeting of shareholders of the Corporation, not fewer than 30 nor more than 65 days prior to the date of the annual meeting of shareholders of the Corporation, unless such meeting is called for a date that is fewer than 50 days after the date on which the first public filing or public announcement of the date of such meeting was made, in which case Notice must be given not later than the close of business on the 10<sup>th</sup> day following the date of such public filing or public announcement; and
- (II) in the case of a special meeting of shareholders of the Corporation (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public filing or public announcement of the date on which Notice of such meeting was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this sub-paragraph (B). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's Notice as described above.

(C) To be in proper written form a Nominating Shareholder's Notice to the Chairman of the Board must set forth:

- (I) as to each individual whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the individual, (ii) the principal occupation or employment of the individual, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the individual as of the record date of the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such Notice, and (iv) any other information relating to the individual that would be required to be disclosed in a dissident's proxy

circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as hereinafter defined); and

- (II) as to the Nominating Shareholder, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has or will have a right to vote any shares of the Corporation and any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

2. No individual shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the Meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be out of order or otherwise disregarded.

3. For purposes of this By-law, (i) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com) ("**SEDAR**"); and (ii) "**Applicable Securities Laws**" means the *Securities Act* (Ontario) and the equivalent legislation in the other provinces and territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the provinces and territories of Canada.

4. Notwithstanding any other provisions of this By-law or any other by-law of the Corporation, Notice given to the Chairman of the Board pursuant to Section 1 may only be given by personal delivery, facsimile transmission or by email (at such facsimile number or email address as stipulated from time to time by the Corporation under its profile on SEDAR), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (at the number as aforesaid; provided that receipt of confirmation of such transmission has been received) to the Chairman of the Board at the registered office of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (local time at the registered office of the Corporation) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next subsequent day that is a business day. For the purposes hereof, a "**business day**" is any day other than a Saturday, Sunday or statutory holiday in the province of Ontario.

**PASSED AND ENACTED** as of the 21<sup>st</sup> day of May, 2013.

**WITNESS** the corporate seal of the Corporation.

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**PRESIDENT**

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**SECRETARY**

## SCHEDULE "C"

### SPECIAL RESOLUTION OF THE SHAREHOLDERS OF GOLDTRAIN RESOURCES INC.

**WHEREAS** the authorized share capital of the Corporation consists of an unlimited number of shares designated as common shares (the "**Common Shares**") and an unlimited number of special shares issuable in series;

**AND WHEREAS** the Corporation proposes to convert each outstanding Common Share into one share of a newly-created class in the share capital of the Corporation to be designated as "Subordinate Voting Shares" and, in order to give effect to such conversion, to increase its authorized share capital by amending its Articles as hereinafter provided.

#### **BE IT HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. each outstanding Common Share be converted into one share of a newly-created class of share in the share capital of the Corporation to be designated as "Subordinate Voting Shares", issued as fully paid (the "**Conversion**"), such Conversion to become effective concurrently with, and being subject to, the creation of the Subordinate Voting Shares and that the holders of issued and outstanding Common Shares be considered to have become holders of Subordinate Voting Shares for all purposes upon the Conversion becoming effective;
2. the Corporation be authorized to amend its Articles under Section 173 of the *Canada Business Corporations Act* to:
  - (i) create a new class of shares to be designated as "Multiple Voting Shares" in an unlimited number with the rights and restrictions described in Exhibit I to this special resolution, which rights and restrictions shall be annexed to the Articles; and
  - (ii) create a new class of shares to be designated as "Subordinate Voting Shares" in an unlimited number with the rights and restrictions described in Exhibit I to this special resolution, which rights and restrictions shall be annexed to the Articles;
  - (iii) immediately upon the Conversion becoming effective, remove the authorized Common Shares, none of which will be issued and outstanding, and repeal the provisions regarding the rights and restrictions attaching to the Common Shares set out in Schedule 1 annexed to the articles of continuance of the Corporation;

such that immediately upon the Conversion becoming effective, the authorized share capital of the Corporation shall consist of an unlimited number of shares of a class designated as Multiple Voting Shares and an unlimited number of shares of a class designated as Subordinate Voting Shares (collectively, the "**Amendment**");

3. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation or has received the approval of all applicable exchange and regulatory authorities, the board of directors may, in its sole discretion, determine not to proceed with the Conversion or the Amendment or revoke this resolution at any time prior to the filing of the articles of amendment, without further approval of the shareholders of the Corporation; and
4. any director or officer of the Corporation is hereby authorized to execute and deliver articles of amendment and to do all things and execute and deliver all such other instruments and documents as such person may determine to be necessary or desirable to give effect to this resolution and carry out the foregoing, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

## EXHIBIT I

### SHARE CONDITIONS ATTACHED TO MULTIPLE VOTING SHARES AND SUBORDINATE VOTING SHARES

The Multiple Voting Shares and Subordinate Voting Shares (sometimes collectively referred to as the “**Voting Shares**” or “**Participating Shares**”) shall have attached thereto the following rights and restrictions:

#### 1. **Payment of Dividends**

1.1 Subject to any preference as to the payment of dividends provided to any shares ranking in priority to the Participating Shares, the holders of Participating Shares shall, except as otherwise hereinafter provided, be entitled to participate equally with each other as to dividends on a pro-rata basis based on the number of votes attaching to each such share and the Corporation shall pay dividends thereon, as and when declared by the Board of Directors of the Corporation out of moneys properly applicable to the payment of dividends, in amounts per share and at the same time on all such Participating Shares at the time outstanding as the Board of Directors may from time to time determine.

#### 2. **Liquidation, Dissolution or Winding-up**

2.1 In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, all of the property and assets of the Corporation which remain after payment to the holders of any shares ranking in priority to the Participating Shares in respect of payment upon liquidation, dissolution or winding-up of all amounts attributed and properly payable to such holders of such other shares in the event of such liquidation, dissolution, winding-up or distribution, shall, except as otherwise hereinafter provided, be paid or distributed to the holders of the Participating Shares on a pro-rata basis based on the number of votes attaching to each such share, without preference or distinction.

#### 3. **Anti-Dilution**

3.1 Neither class of Participating Shares shall be subdivided, consolidated, reclassified or otherwise changed unless contemporaneously therewith the other class of Participating Shares is subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner so as to preserve the rights conferred hereby on each class in relation to the other class.

#### 4. **Voting**

4.1 The holders of the Multiple Voting Shares shall be entitled to receive notice of and attend (in person or by proxy) and be heard at all meetings of the shareholders of the Corporation (other than separate meetings of the holders of shares of any other class of shares of the Corporation or any series of such other class of shares) and to vote at all such meetings with each holder of Multiple Voting Shares, being entitled to 50 votes per Multiple Voting Share.

4.2 The holders of the Subordinate Voting Shares shall be entitled to receive notice of and attend (in person or by proxy) and be heard at all meetings of the shareholders of the Corporation (other than separate meetings of the holders of shares of any other class of shares of the Corporation or any series of shares of such other class of shares) and to vote at all such meetings with each holder of Subordinate Voting Shares, being entitled to one vote per Subordinate Voting Share.

#### 5. **Conversion of Multiple Voting Shares**

5.1 A holder of Multiple Voting Shares shall have the right, at his, her or its option, at any time and from time to time, to convert such Multiple Voting Shares into Subordinate Voting Shares on the basis of 50 Subordinate Voting Shares for each one Multiple Voting Share so converted.

5.2 To exercise such conversion right a shareholder or the shareholder’s attorney duly authorized in writing shall:

(a) give written notice to the Corporation’s transfer agent (the “**Transfer Agent**”) of the exercise of such right and of the number of Multiple Voting Shares in respect of which the right is being exercised;

(b) deliver to the Transfer Agent, the share certificate or certificates representing the Multiple Voting Shares in respect of which the right is being exercised; and

(c) pay any governmental or other tax imposed on or in respect of such conversion.

5.3 Upon due exercise of the conversion right, the Corporation shall issue a share certificate representing the number of fully paid and non-assessable Subordinate Voting Shares determined on the basis set out above in the name of the registered holder of the Multiple Voting Shares converted or in such name or names as such registered holder may direct in writing, provided that such registered holder shall pay any applicable security transfer taxes. If the conversion right is exercised in respect of less than all of the Multiple Voting Shares represented by any share certificate, the Corporation shall also issue a new share certificate representing the number of Multiple Voting Shares in respect of which the conversion right is not being exercised.

5.4 A holder of Multiple Voting Shares converted in whole or in part (or any other person or persons in whose name or names any certificate representing Subordinate Voting Shares are issued as provided above) shall be deemed to have become the holder of record of the Subordinate Voting Shares into which such Multiple Voting Shares are converted, for all purposes, on the final date of receipt by the Transfer Agent of the items referenced in clauses 5.2(a), (b) and (c) above, notwithstanding any delay in the delivery of the certificate representing the Subordinate Voting Shares into which such Multiple Voting Shares have been converted and, effective as of such date, the holder of Multiple Voting Shares shall cease to be registered as the holder of record of the Multiple Voting Shares so converted.

## 6. Conversion of Subordinate Voting Shares

6.1 A holder of Subordinate Voting Shares shall have the right, at his, her or its option, at any time and from time to time, to convert such Subordinate Voting Shares into Multiple Voting Shares on the basis of one Multiple Voting Share for every 50 Subordinate Voting Shares so converted.

6.2 To exercise such conversion right, such holder or the shareholder's attorney duly authorized in writing shall:

(a) give written notice to the Transfer Agent of the exercise of such right and of the number of Subordinate Voting Shares in respect of which the right is being exercised, which number of Subordinate Voting Shares shall not be less than 50;

(b) deliver to the Transfer Agent, the share certificate or certificates representing the Subordinate Voting Shares in respect of which the right is being exercised; and

(c) pay any governmental or other tax imposed on or in respect of such conversion.

6.3 Upon due exercise of the conversion right, the Corporation shall issue a share certificate representing the number of fully paid and non-assessable Multiple Voting Shares determined on the basis set out above in the name of the registered holder of the Subordinate Voting Shares converted or in such name or names as such registered holder may direct in writing, provided that such registered holder shall pay any applicable security transfer taxes. If the conversion right is exercised in respect of less than all of the Subordinate Voting Shares represented by any share certificate, the Corporation shall also issue a new share certificate representing the number of Subordinate Voting Shares in respect of which the conversion right is not being exercised.

6.4 A holder of Subordinate Voting Shares converted in whole or in part (or any other person or persons in whose name or names any certificate representing Multiple Voting Shares are issued as provided above) shall be deemed to have become the holder of record of the Multiple Voting Shares into which such Subordinate Voting Shares are converted, for all purposes, on the final date of receipt by the Transfer Agent of the items referenced in clauses 6.2(a), (b) and (c) above, notwithstanding any delay in the delivery of the certificate representing the Multiple Voting Shares into which such Subordinate Voting Shares have been converted and, effective as of such date, the holder of Subordinate Voting Shares shall cease to be registered as the holder of record of the Subordinate Voting Shares so converted.

## 7. General Conditions

7.1 Save as aforesaid, each Multiple Voting Share and Subordinate Voting Share shall have the same rights and attributes and be the same in all respects.

7.2 The provisions of these Articles 1 through 7 may be deleted, amended, modified or varied in whole or in part upon the approval of any such amendment being given by the holders of the Multiple Voting Shares and the Subordinate Voting Shares by special resolution and as required by applicable law.



## **SCHEDULE “D”**

### **SECTION 190 OF CANADA BUSINESS CORPORATIONS ACT**

#### Right to dissent

**190.** (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

#### Further right

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

#### If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

#### Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

#### No partial dissent

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

#### Objection

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

#### Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

#### Demand for payment

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

#### Share certificate

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

### Forfeiture

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

### Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

### Suspension of rights

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9), in which case the shareholder's rights are reinstated as of the date the notice was sent.

### Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

### Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

### Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

### Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

### Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

### Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

### No security for costs

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

### Parties

- (19) On an application to a court under subsection (15) or (16),
- (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
  - (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

### Powers of court

- (20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

### Appraisers

- (21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

### Final order

- (22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

### Interest

- (23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

### Notice that subsection (26) applies

- (24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

### Effect where subsection (26) applies

- (25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may
- (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
  - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

### Limitation

- (26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
  - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S., 1985, c. C-44, s. 190; 1994, c. 24, s. 23; 2001, c. 14, ss. 94, 134(F), 135(E).

## SCHEDULE “E”

### GOLDTRAIN RESOURCES INC. (the “Corporation”)

#### STOCK OPTION PLAN

Adopted April 27, 2009

Amended May 2013

#### 1. PURPOSE OF PLAN

- 1.1 The purpose of the plan is to attract, retain and motivate persons as directors, officers, key employees and consultants of the corporation and its subsidiaries and to advance the interests of the corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the corporation.

#### 2. DEFINED TERMS

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 “**Associate**”, when used to indicate a relationship with a Person, means: (i) any partner of the Person; (ii) any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; (iii) in the case of a Person who is an individual, that Person’s spouse or child, or any relative of that Person or of his spouse who has the same residence as that Person and (iv) the Corporation, if the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the Corporation;
- 2.2 “**Board**” means the board of directors of the Corporation or, if established and duly authorized to act, the Executive Committee or another Committee appointed for such purpose by the board of directors of the Corporation;
- 2.3 “**Business Day**” means any day, other than a Saturday or a Sunday, on which the Exchange is open for trading;
- 2.4 “**Consultant**” or “**Service Provider**” means an individual (including an individual whose services are contracted through a Consultant Company), other than a director, officer or employee of the Corporation, with whom the Corporation or any Subsidiary has a written contract for substantial consulting, technical, management or other services and who has a relationship with the Corporation that enables such individual to be knowledgeable about the affairs of the Corporation;
- 2.5 “**Consultant Company**” means, for an individual consultant, a corporation or partnership of which the individual is an employee, shareholder or partner;
- 2.6 “**Corporation**” means **GOLDTRAIN RESOURCES INC.** and includes any successor corporation thereto;
- 2.7 “**Designated Brokerage Account**” means an account with an investment dealer or stock broker established by an Optionee providing Investor Relations Activities through which all trades in securities of the Corporation by such Optionee, and only such trades, must be processed unless such Optionee has undertaken to file insider trade reports as set out in section 5.13 (b) or otherwise agreed to securities trading monitoring procedures acceptable to the Board;
- 2.8 “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by shareholders of the Corporation at a shareholders’ meeting at which holders of non-voting and subordinate voting shares, if any, shall have full voting rights, but excluding votes attaching to Shares beneficially owned by Insiders to whom Options may be granted under the Plan and Associates of such Insiders;
- 2.9 “**Eligible Person**” means any director, officer, employee (part-time or full-time) or Consultant or a corporation that is wholly-owned by any of the foregoing, or a Consultant Company of the Corporation or any Subsidiary;
- 2.10 “**Exchange**” means the principal stock exchange or market on which the Subordinate Voting Shares are or may be listed or quoted from time to time for trading;
- 2.11 “**Insider**” means: (i) a director or senior officer of the Corporation; (ii) a director or senior officer of a company that is an Insider or Subsidiary of the Corporation; or (iii) a Person that beneficially owns or controls, directly or indirectly,

voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation;

- 2.12 “**Investor Relations Activities**” means any activities that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation;
- 2.13 “**Management Company Employee**” means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- 2.14 “**Market Price**” for Shares at any date on which Options are approved by the Board shall be the last closing price of such Shares on any Exchange on the last Business Day preceding the date on which such Options are approved by the Board and, in the event that such Shares did not trade on such Business Day, the Market Price shall be the average of the bid and ask prices in respect of such Shares at the close of trading on such Business Day;
- 2.15 “**Maximum Period**” means the maximum period during which options are exercisable shall be five (5) years. Options expire (i) immediately on termination of office or employment for cause, (ii) 90 days after retirement, resignation or termination of office or employment without cause for directors, employees, consultants or management company employees; (iii) 30 days after retirement, resignation or termination of office or employment without cause for those who are engaged in investor relations activities; (iv) 90 days (30 days for those who are engaged in investor relations activities) after termination of office or employment due to disability or (v) one year after death of the optionholder;
- 2.16 “**Multiple Voting Shares**” means the authorized shares in the capital of the Corporation designated as “Multiple Voting Shares” by the Articles of the Corporation;
- 2.17 “**Option**” means an option to purchase Shares granted under the Plan;
- 2.18 “**Option Price**” means the price per Share at which Shares may be purchased under the Option, as the same may be adjusted from time to time in accordance with Article 8;
- 2.19 “**Optionee**” means an Eligible Person to whom an Option has been granted;
- 2.20 “**Person**” means an individual, corporation, partnership, unincorporated association or organization, body corporate, trust or other entity;
- 2.21 “**Plan**” means this Stock Option Plan, as the same may be amended or varied from time to time;
- 2.22 “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- 2.23 “**Shares**” means the Subordinate Voting Shares of the Corporation or, in the event of an adjustment contemplated by Article 8, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;
- 2.24 “**Subordinate Voting Shares**” means the authorized shares in the capital of the Corporation designated as “Subordinate Voting Shares” by the Articles of the Corporation;
- 2.25 “**Subsidiary**” means any corporation which is a subsidiary (as such term is defined in the *Canada Business Corporations Act* as amended, varied or re-enacted from time to time) of the Corporation.

### 3. ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered by the Board in accordance with the rules and policies of the Exchange in respect of employee stock option plans. The Board may receive recommendations of management and shall determine and designate from time to time those Eligible Persons to whom Options should be granted, the number of Shares which will be optioned from time to time to such Eligible Persons and the terms and conditions of each such grant of Options.

- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:
- (a) to establish policies and to adopt, prescribe, amend or vary rules and regulations for carrying out the purposes, provisions and administration of the Plan and make all other determinations necessary or advisable for its administration;
  - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
  - (c) to grant Options to purchase Shares;
  - (d) to determine which Eligible Persons are granted Options;
  - (e) to determine the number of Shares covered by each Option;
  - (f) to determine the Option Price for each Option;
  - (g) to determine the time or times when Options will be granted and will be exercisable;
  - (h) to determine if the Shares which are subject to an Option will be subject to any vesting provisions or other restrictions upon the exercise of such Option; and
  - (i) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options which initially shall be substantially in the form annexed hereto as Appendix "A".

#### 4. **SHARES SUBJECT TO THE PLAN**

- 4.1 Options may be granted in respect of authorized and unissued Shares provided that the maximum aggregate number of Shares reserved by the Corporation for issuance and which may be purchased upon the exercise of all Options outstanding at any time shall not exceed be ten percent (10%) of the number of issued and outstanding Shares of the Corporation calculated at that time on the basis that all Multiple Voting Shares of the Corporation issued and outstanding at that time have been converted to Subordinate Voting Shares. Shares in respect of which Options expire without being exercised shall be available for subsequent grants of Options under the Plan. No fractional Shares may be purchased or issued under the Plan.

#### 5. **ELIGIBILITY; GRANT; TERMS OF OPTIONS**

- 5.1 Options may be granted to Eligible Persons.
- 5.2 Options may be granted by the Corporation from time to time provided and to the extent that such grants are approved by the Board.
- 5.3 Subject to the provisions of this Plan, the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. At no time shall the period during which an Option shall be exercisable exceed five (5) years from the date of the grant.
- 5.4 Unless otherwise determined by the Board of Directors at the time of granting of options, 50% of the options will vest immediately and a further 25% will vest every 6 months thereafter.
- 5.5 Subject to any minimum price mandated by the rules of the Exchange or other applicable securities regulatory requirements, the Option Price of Shares which are the subject of any Option shall in no circumstances be lower than the Market Price of the Shares calculated at the date of the grant of the Option less any discount permissible under the rules of the Exchange and other securities regulatory requirements.
- 5.6 Subject to Sections 5.7 and 5.8 hereof, the maximum number of Shares which may be reserved for issuance to any one Optionee under this Plan or under any other Share Compensation Arrangement in any 12-month period shall not exceed five percent (5%) of the number of Shares outstanding at the date of the grant calculated on the basis that all

Multiple Voting Shares of the Corporation outstanding at that time have been converted to Subordinate Voting Shares (but otherwise on a non-diluted basis).

- 5.7 The maximum number of Shares which may be reserved for issuance to any one Consultant under this Plan or under any other Share Compensation Arrangement in any 12-month period shall not exceed two percent (2%) of the number of Shares outstanding at the date of the grant calculated on the basis that all Multiple Voting Shares of the Corporation outstanding at that time have been converted to Subordinate Voting Shares (but otherwise on a non-diluted basis).
- 5.8 The maximum number of Shares which may be reserved for issuance to all Persons employed to conduct Investor Relations Activities under this Plan or under any other Share Compensation Arrangement in any 12-month period shall not exceed two percent (2%) of the number of Shares outstanding at the date of the grant calculated on the basis that all Multiple Voting Shares of the Corporation outstanding at that time have been converted to Subordinate Voting Shares (but otherwise on a non-diluted basis).
- 5.9 The maximum number of Shares which may be reserved for issuance to Insiders, Optionees performing Investor Relations Activities and Consultants under the Plan or under any other Share Compensation Arrangement shall be ten percent (10%) of the number of Shares outstanding at the date of the grant calculated on the basis that all Multiple Voting Shares of the Corporation outstanding at that time have been converted to Subordinate Voting Shares (but otherwise on a non-diluted basis).
- 5.10 The maximum number of Shares which may be issued to any one Optionee and such Optionee's Associates under the Plan and any other Share Compensation Arrangement in any 12-month period shall be five percent (5%) of the number of Shares outstanding at the date of the issuance calculated on the basis that all Multiple Voting Shares of the Corporation outstanding at that time have been converted to Subordinate Voting Shares (but otherwise on a non-diluted basis).
- 5.11 An Option is personal to the Optionee and is non-assignable and non-transferrable.
- 5.12 For Options granted to employees, Consultants or Management Company Employees, the Corporation shall be deemed to represent that the Optionee is a *bona fide* employee, Consultant or Management Company Employee of the Corporation, as the case may be.
- 5.13 Options issued to Consultants performing Investor Relations Activities shall vest over twelve (12) months from the date of the grant, with one quarter of the Options vesting at the end of each three-month period. The Board shall monitor the trading in the securities of the Corporation by Optionees performing Investor Relations Activities. Optionees performing Investor Relations Activities shall comply with one or more of the following, as determined by the Board:
- (a) trade in securities of the Corporation only through a Designated Brokerage Account; or
  - (b) file insider trade reports with the Board within five (5) days after any trade by such Optionee in securities of the Corporation; or
  - (c) agree to other securities trading monitoring procedures acceptable to the Board.
- 5.14 If the Optionee is a corporation or Consultant Company, it shall provide to the Exchange any and all forms required by the Exchange. Any such entity granted an Option shall agree not to effect or permit any transfer of ownership or option of shares or units, as the case may be, of such entity nor to issue shares or units, as the case may be, to any other individual or entity as long as the Option remains outstanding except with any written consent required by the Exchange.

## 6. EXERCISE OF OPTIONS

- 6.1 In addition to any resale restrictions under applicable securities legislation, every Option and any Share issued upon the exercise of an Option within four months after the grant of the applicable Option shall be subject to a four-month hold period commencing on the date of the grant of the Option. Every Option certificate and every certificate representing one or more Shares issued upon the exercise of an Option, if such exercise is prior to the expiry of said four-month hold period, shall bear the following legend:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE

SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE \_\_\_\_\_ EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL <INSERT DATE THAT IS FOUR MONTHS PLUS ONE DAY FROM THE DATE OF THE GRANT>”

- 6.2 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Price of the Shares to be purchased. Payment of the Option Price must be made in cash or by certified cheque or bank draft. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable period of time following the receipt of such notice and payment.
- 6.3 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as counsel to the Corporation shall reasonably determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
  - (b) the listing of such Shares on the Exchange; and
  - (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel reasonably determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this connection, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on the Exchange.

## **7. TERMINATION OF OFFICE OR EMPLOYMENT; DEATH; DISABILITY**

- 7.1 Subject to Section 7.4 and any express resolution passed by the Board or any express agreement approved by the Board with respect to an Option, an Option granted to any Optionee who is a director, officer, part-time or full-time employee, service provider or Management Company Employee and all rights to purchase pursuant thereto, shall expire and terminate on the earlier of its expiry date and ninety (90) days after the Optionee ceases to be at least one of a director, officer, part-time or full-time employee, service provider or Management Company Employee of the Corporation or of any Subsidiary, but in all cases such Option shall expire and terminate within the lesser of the Maximum Period or the term of the Option established under Section 5.3 or 5.4 hereof.
- 7.2 Subject to Section 7.4 and any express resolution passed by the Board with respect to an Option or any express agreement approved by the Board, the entitlement of a Consultant to Options and all rights to purchase pursuant thereto including the termination thereof shall be in accordance with the terms of the consulting agreement entered into between the Corporation or the Subsidiary and the Consultant, but in all cases such Option shall expire and terminate within the lesser of the Maximum Period or the term of the Option established under Section 5.3 or 5.4 hereof.
- 7.3 Subject to Section 7.4 and any express resolution passed by the Board with respect to an Option or any express agreement approved by the Board, the entitlement of an Optionee engaged in Investor Relations Activities to an Option and all rights to purchase pursuant thereto, shall expire and terminate on the earlier of its expiry date and thirty (30) days after the Optionee ceases to be engaged to provide Investor Relations Activities to the Corporation or any Subsidiary, but in all cases such Option shall expire and terminate within the lesser of the Maximum Period or the term of the Option established under Section 5.3 or 5.4 hereof.
- 7.4 If, before the expiry of an Option in accordance with the terms thereof, the employment of the Optionee with the Corporation or with any Subsidiary shall terminate, in either case by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal representative(s) of the Optionee or his estate, as the case may be, at any time during the first twelve (12) months following the death of the Optionee but prior to the expiry of the Option in accordance with the terms thereof and only to the extent that the Optionee was entitled to exercise such Option at the date of the termination of the Optionee's employment.



7.5 Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director where the Optionee continues to be employed by the Corporation or continues to be a director of a Subsidiary or an officer of the Corporation or any Subsidiary.

7.6 Notwithstanding any other provision of this Plan, if an Optionee's employment or consulting contract is terminated for "just cause", such person's Options shall terminate on the date of the termination of employment or contract, as the case may be.

## 8. CHANGE IN CONTROL AND CERTAIN ADJUSTMENTS

8.1 Notwithstanding any other provision of this Plan in the event of:

(a) the acquisition by any Person (who was not, immediately prior to the effective time of the acquisition, a registered or a beneficial shareholder in the Corporation holding Shares or securities which are convertible into Shares entitling such Person to exercise 20% or more of the votes entitled to be cast at a meeting of the shareholders) of Shares or rights or options to acquire Shares of the Corporation or securities which are convertible into Shares of the Corporation or any combination thereof such that after the completion of such acquisition such Person would be entitled to exercise 50% or more of the votes entitled to be cast at a meeting of the shareholders; or

(b) the sale by the Corporation of all or substantially all of the property or assets of the Corporation;

then, notwithstanding that at the effective time of such transaction the Optionee may not be entitled to exercise the right to purchase all of the Shares granted by the Option, the Optionee shall be entitled to exercise the Options (other than Options granted to the Optionee in relation to its performance of Investor Relations Activities, which Options must be exercised within 30 days of the close of any such transaction) to the full amount of the Shares remaining at that time within 90 days of the close of any such transaction.

8.2 Appropriate adjustments with respect to Options granted or to be granted, in the number or class of shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Shares of the Corporation resulting from subdivisions, consolidations or reclassifications of the Subordinate Voting Shares of the Corporation, the payment of stock dividends or cash dividends by the Corporation (other than dividends in the ordinary course), the distribution of securities, property or assets by way of dividend or otherwise (other than dividends in the ordinary course), or other relevant changes in the capital stock of the Corporation or the amalgamation or merger of the Corporation with or into any other entity, subsequent to the approval of the Plan by the Board. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the shareholders of the Corporation, if applicable, and to acceptance by the Exchange respectively, if applicable.

## 9. AMENDMENT OR DISCONTINUANCE

9.1 The Board may amend or discontinue the Plan at any time upon receipt of any necessary regulatory approval including, without limitation, the approval of the Exchange, provided, however, that no such amendment may change the manner of determining the minimum Option Price or alter or impair any of the terms of any Option previously granted to an Optionee under the Plan without the consent of the Optionee. Any amendments to the terms of an Option shall also be subject to any necessary regulatory approval, including without limitation, the approval of the Exchange. Any amendments to the terms of an Option that involves a reduction in the Option Price of an Option previously granted to an Optionee, if the Optionee is an Insider of the Issuer at the time of the proposed amendment, shall be subject to Disinterested Shareholder Approval and to acceptance by the Exchange, if applicable.

## 10. MISCELLANEOUS PROVISIONS

10.1 The holder of an Option shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until such holder shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the Option Price of the Shares in respect of which the Option is being exercised) and the issuance of Shares by the Corporation.

10.2 Nothing in the Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate his employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment of

any Optionee beyond the time which he would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Subsidiary or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Subsidiary.

- 10.3 To the extent required by law or regulatory policy or necessary to allow Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report in a timely manner the grant, exercise or termination of the Option to the Exchange and the appropriate securities regulatory authorities.

11. **SHAREHOLDER AND REGULATORY APPROVAL**

- 11.1 The Plan shall be subject to the approval of the Board or the shareholders of the Corporation, as may be prescribed by applicable securities laws and Exchange policies, to be given by a resolution passed at a meeting of the Board or the shareholders of the Corporation, as applicable, in accordance with the *Canada Business Corporations Act* and to acceptance by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

**APPENDIX "A"**

**STOCK OPTION CERTIFICATE**

WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE \_\_\_\_\_ EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL <INSERT DATE THAT IS FOUR MONTHS PLUS ONE DAY FROM THE DATE OF THE GRANT>

**GOLDTRAIN RESOURCES INC.** (the "Corporation"), for good and valuable consideration, hereby grants to the Optionee set forth below an Option to purchase Subordinate Voting Shares of the Corporation subject to the terms and conditions set forth in the Corporation's Stock Option Plan, as the same may be amended or replaced from time to time (the "Plan"), and, in addition, subject to the terms set forth below:

Optionee: \_\_\_\_\_

Position with the Corporation: \_\_\_\_\_

Number of Subordinate Voting Shares: \_\_\_\_\_

Option Price: \_\_\_\_\_

Expiry Date of Option: \_\_\_\_\_

Rights of Exercise (Vesting): \_\_\_\_\_

Subject to an earlier or later expiry date provided by the terms of the Plan or any agreement between the Optionee and the Corporation, on the close of business on the "Expiry Date of Option" set out above, the Option granted will expire and terminate and be of no further force and effect whatsoever as to the Subordinate Voting Shares for which the Option hereby granted has not been exercised.

By acceptance of this certificate and the Option granted hereby, the Optionee confirms that the Option and all Shares purchased upon any exercise of the Option have been and will be acquired for investment purposes only and not with a view to distribution and will be acquired for the Optionee's own individual account and disposed of in compliance with all applicable securities regulatory requirements.

The Options represented hereby are non-assignable and non-transferable.

Where used herein all defined terms shall have the respective meanings attributed thereto in the Plan.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**GOLDTRAIN RESOURCES INC.**

By: \_\_\_\_\_

The undersigned hereby acknowledges receipt of a copy of the Plan and accepts and agrees to the grant of this Option on the terms and conditions set forth herein and in the Plan effective as of the date above written.

\_\_\_\_\_  
(Signature of Optionee)

**NOTICE OF EXERCISE OF STOCK OPTIONS**

**TO: GOLDTRAIN RESOURCES INC.**

I, \_\_\_\_\_, wish to exercise \_\_\_\_\_ of my Options to purchase Subordinate Voting Shares of the Corporation at a price of \$ \_\_\_\_\_ per share. Please accept my cash payment in the amount of \$ \_\_\_\_\_ and have the stock certificate representing the Subordinate Voting Shares issued upon such exercise registered as follows:

\_\_\_\_\_.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
(Name of Optionee – please print)

\_\_\_\_\_  
(Signature of Optionee)