

2014

ANNUAL

GENERAL

AND

SPECIAL

MEETING

**Notice of Annual General and Special  
Meeting of Shareholders**

**Management Information Circular**



Place:

**Suite 2080  
777 Hornby Street  
Vancouver, BC**

Time:  
Date:

**10:00 a.m. (Vancouver time)  
Wednesday, June 11, 2014**



## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting of Shareholders (the "Meeting") of RESINCO CAPITAL PARTNERS INC. (the "Company") will be held at Suite 2080, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, on **Wednesday, June 11, 2014 at 10:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements and Management Discussion & Analysis of the Company for the fiscal year ended December 31, 2013 and the auditors' report thereon;
2. To elect Directors of the Company for the ensuing year;
3. To appoint Grant Thornton, LLP as auditors for the Company for the ensuing year and to authorize the Directors to fix the auditors' remuneration;
4. To consider and, if thought fit, to approve a resolution in the form presented in the Information Circular accompanying this Notice, renewing the stock option plan for directors, officers, employees, consultants and other personnel of the Corporation and its subsidiaries, subject to regulatory approval;
5. To approve an ordinary resolution to consolidate the issued and outstanding shares of the Company, at the Directors' discretion, on the basis of one (1) new common share for up to ten (10) old common shares; and
6. To transact such other business as may properly come before the Meeting or any adjournment thereof;

The accompanying Management Information Circular provides additional information relating to the matters to be addressed at the meeting and is deemed to form part of this Notice. The form of proxy accompanies this Notice. The audited financial statements, auditors' report and management's discussion and analysis have been delivered to those shareholders who indicated to the Company that they wished to receive copies of same.

The Directors have fixed the close of business on May 7, 2014 as the record date for determination of shareholders entitled to notice of and the right to vote at the Meeting either in person or by proxy. A shareholder who is unable to attend the Meeting in person and who wishes to ensure that their shares will be voted at the Meeting, is requested to complete, date and execute the enclosed form of Proxy and deliver it to the Company's transfer agent: Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 in accordance with the instructions set out in the form of Proxy and Management Information Circular.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Hein Poulus"*  
Director, Chairman

May 7, 2014  
Vancouver, British Columbia



**MANAGEMENT INFORMATION CIRCULAR  
FOR THE 2014 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**This information is given as at May 7, 2014**

**PERSONS MAKING THIS SOLICITATION OF PROXIES**

This Management Information Circular (the "Information Circular") is furnished in connection with the solicitation of proxies by the management (the "Management") of **RESINCO CAPITAL PARTNERS INC.** (the "Company") for use at the Annual General and Special Meeting (the "Meeting") of the Shareholders of the Company, to be held on Wednesday, June 11, 2014 at the hour of 10:00 a.m. at Suite 2080, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

While it is expected that the solicitation will be made primarily by mail, proxies may be solicited in person or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

Under the Articles of the Company, a quorum for the transaction of business at the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued common shares entitled to be voted at the Meeting.

References to dollars (\$) in this Information Circular shall mean Canadian dollars unless otherwise indicated.

**PROXY INSTRUCTIONS**

**Appointment of Proxy**

The persons named in the accompanying instrument of proxy are directors or officers of the Company. A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a member shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.

A Proxy will not be valid unless it is completed, dated and signed and delivered by hand or mail to Computershare Investor Services Inc. at Proxy Dept., 100 University Avenue 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, not less than 48 hours (excluding Saturdays and holidays) prior to the Meeting or to the Chair of the Meeting prior to the commencement of the Meeting.

The instrument of proxy must be signed by the member or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the member is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The articles of the Company confer discretionary authority upon the Chairman of the Meeting to accept proxies which do not strictly conform to the foregoing requirements and certain other requirements set forth in the articles.

## **Voting by Proxy and Exercise of Discretion**

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the member in respect of voting for or against any resolution will do so in accordance with such direction.

**In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting and for the election of the management nominees for directors and auditor, as stated under the headings in this Information Circular.** The instrument of proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

## **REVOCATION OF PROXIES**

Any registered shareholder who has returned a proxy may revoke it at any time before it has expired. In addition to revocation in any other manner permitted by law, a member may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a member present in person, whereupon such proxy shall be deemed to have been revoked. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below under "Non-Registered Holders of Common Shares") who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

## **NON-REGISTERED HOLDERS OF COMPANY'S SHARES**

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" shareholders ("Non-Registered Holders") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their shares. In addition, a person is not a registered shareholder in respect of shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 ("NI 54-101") of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Instrument of Proxy (collectively, the "Proxy Solicitation Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Proxy Solicitation Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them or unless there is a special meeting involving abridged timing under NI 54-101. Very often, Intermediaries will use service companies, such as Broadridge, to forward the Proxy Solicitation Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Proxy Solicitation Materials, or where there is a special meeting involving abridged timing under NI 54-101, will either:

- (a) be given a form of proxy which **has already been signed by the Intermediary** (typically by facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise incomplete. Because the Intermediary has already signed the form of Proxy, this form of Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete the form of Proxy and **deposit it with the Transfer Agent as provided above**; or
- (b) more typically, be given a voting instruction form which is **not signed by the Intermediary**, and which when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as Broadridge), will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. In the alternative, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who received one of the above mentioned forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert their own name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its agents, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

The Meeting Materials are not being sent to registered or beneficial owners using the Notice and Access procedures contained in NI 54-101. The Company is sending the Meeting Materials directly to non-objecting beneficial holders (as defined in NI 54-101). The Company will not pay for intermediaries to deliver the Meeting Materials to objecting beneficial holders (as defined in NI 54-101), and objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares without par. As at May 7, 2014, there are 123,019,885 common shares issued and outstanding. Each common share carries the right to one vote. At a general meeting of the Company, on a show of hands, every member present in person shall have one vote and, on a poll, every member shall have one vote for each share of which he is the holder.

Only Shareholders of record on the close of business on the 7<sup>th</sup> day of May, 2014, who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the best knowledge of the directors and senior officers of the Company, the only persons or corporations who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company are:

NAME OF SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF ISSUED AND OUTSTANDING SHARES
Hein Poulus	19,345,518	15.73 %

The above information was supplied to the Company by the shareholders and from the insider reports available at [www.sedi.ca](http://www.sedi.ca).

## **BUSINESS OF THE MEETING**

### **ITEM 1 - FINANCIAL STATEMENTS**

The financial statements of the Company for the fiscal year ended December 31, 2013, will be placed before you at the Meeting.

### **ITEM 2 - ELECTION OF DIRECTORS**

#### **Majority Voting Policy**

The board of directors has adopted a majority voting policy which requires that any nominee for election as a director in an uncontested election, who receives a greater number of votes “withheld” from his or her election than votes “for” such election, will promptly tender his or her resignation to the board, to be effective upon the board’s acceptance. The board of directors will promptly and in any event within 90 days of the final voting results accept the tendered resignation unless it determines that there are extraordinary circumstances relating to the composition of the board or the voting results that should delay the acceptance of the resignation or justify rejecting it. Subject to any corporate law restrictions, the board may leave a resulting vacancy unfilled until the next annual meeting of shareholders, fill the resulting vacancy through the appointment of a new director, or call a special meeting of shareholders to consider another nominee for election to fill the vacancy.

#### **Nominees for Election**

At the Meeting, management of the Company proposes to nominate the persons listed below for election as directors (the “Nominees”). Each director of the Company is elected annually and holds office until the next Annual General Meeting of the Shareholders unless that person ceases to be a director before then. There are five nominees proposed by management for election as directors at the Meeting. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the Company, until his successor is elected or appointed or until he resigns.

**Unless you give other instructions**, the shares represented by proxy will, on a poll, be voted for the nominees herein listed.

<b>Name of Nominee and Present Offices Held</b>	<b>Present Principal Occupation<sup>(1)</sup></b>	<b>Director Since</b>	<b>Shares Beneficially Owned or Controlled<sup>(2)</sup></b>
Hein Poulus, Q.C. Director and Chairman	Lawyer, Senior Counsel with Stikeman Elliott LLP	August 18, 2005	19,345,518
Ronald Shorr <sup>(3)</sup> Director	Mining Consultant	August 18, 2005	3,001,852
Alexander Poulus, Director <sup>(3)</sup>	Retired banker	June 9, 2009	210,000
Scott Close, Director <sup>(3)</sup>	A geologist and President and Chief Geologist of Ethos Geological, a geologic consulting firm, since January 2010.Exploration Manager Romios Gold from December 2008 to December 2010.	February 26, 2014	-
Andrew Lee Smith, Director	Professional Geologist; Interim Chief Executive Officer and director of East Africa Metals Inc. since 2013; President, Chief Executive Officer and director of Tigray Resources since 2010; President of Iron Mask Explorations Ltd., a private mining and exploration consulting firm, since March 1998.	March 21, 2014	-

**Notes:**

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of the Company and by the nominees themselves.
- (3) Member of Audit Committee.

### **Cease Trade Orders and Bankruptcy**

Except as disclosed below, as at the date of this Information Circular and within the ten years before the date of this Information Circular, no proposed director:

- (a) is or has been a director or executive officer of any company (including the Company), that while that person was acting in that capacity:
  - i. was the subject of a cease trade order 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;
  - ii. was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - iii. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within 10 years before the date of the Information Circular become 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 the assets of the director, officers or shareholders.

Except as disclosed below, no director or proposed director of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to:



- (c) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

*Hein Poulus* and *Alexander Poulus* were directors of Sheen Resources Ltd. at the date of a trading suspension issued by the TSX Venture Exchange on April 19, 2010 for failure by Sheen to maintain a transfer agent and at the date of a cease trade order issued by British Columbia Securities Commission on May 5, 2010 and re-issued June 10, 2010, by the Ontario Securities Commission on June 30, 2010 for failure to file audited financial statements and management's discussion and analysis for the Company for the year ended December 31, 2009 on time and interim financial statements and management's discussion and analysis for the Company for the three months ended March 31, 2010. The suspensions and cease trade orders remain in effect as of the date of this circular. *Hein Poulus* and *Alexander Poulus* each resigned as directors of Sheen Resources in October 2010.

*Andrew Lee Smith* was a director and President and Chief Executive Officer of Canaco Resources Inc. (now Orca Gold Inc.) when in April 2012, Canaco received inquiries from the British Columbia Securities Commission (the "Commission") regarding the grant of certain stock options and its disclosure practices. The British Columbia Securities Commission continued with its inquiries and a hearing by the Commission commenced in January 2013 and by August 7, 2013 the allegations in the notice of hearing were dismissed.

### **ITEM 3 - APPOINTMENT OF THE AUDITOR**

Grant Thornton, LLP, Chartered Accountants have served as auditors of the Company since October 30, 2012.

The Company's management recommends that shareholders vote FOR the appointment of Grant Thornton, LLP, Chartered Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Grant Thornton, LLP to act as our auditor until the close of our next annual general meeting and to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

### **ITEM 4 - APPROVAL OF RENEWAL OF STOCK OPTION PLAN**

The Board of Directors of the Company wish to have shareholders approve the renewal of a stock option plan (the "Plan"), as previously approved by shareholders, to govern the future grant from time to time, of options to purchase common shares in the capital of the Company to eligible recipients.

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

The Plan may be terminated by the Board at any time, but such termination will not alter the terms or conditions of any options granted prior to the date of such termination. Any stock option outstanding when the Plan is terminated will remain in effect until it is exercised, expires or voluntarily cancelled or otherwise terminated in accordance with the provisions of the Plan. The Board of Directors may amend the terms of the Plan, subject to the receipt of any applicable regulatory approval and without the approval of shareholders, except any amendment to (i) change the maximum number of shares that may be issued under the Plan whether as a fixed number of shares or as a percentage of the number of shares outstanding from time to time (other than to reflect an adjustment otherwise



permitted under the Plan), (ii) reduce the exercise price or extend the expiry period of any option, or (iii) increase the limits on the number of shares issuable to participants under the Plan who are insiders of the Company.

The Plan provides that other terms and conditions, including vesting schedules, may be attached to a particular stock option; such terms and conditions are to be referred to in a schedule attached to the particular option agreement. It is the Company's practice that stock options vest at 20% upon issuance and 20% every six months thereafter.

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

- (a) the aggregate number of common shares reserved for issuance to any one individual upon the exercise of options granted under the Plan or any previously established and outstanding stock option plans or grants, exceeding 5% of the issued shares of the Company (calculated at the time of the grant);
- (b) the number of shares (i) issued to Insiders within any one year period, and (ii) issuable to Insiders, at any time, exceeding 10% of the outstanding Issue;
- (c) the issuance to any one Insider and such Insider's associates, within a one year period, of a number of shares exceeding 5% of the outstanding Issue; or
- (d) if required by Securities Law, the issuance to Consultants of a number of shares exceeding 2% of the outstanding issue.

Options granted under the Plan will be for a term not to exceed ten years from the date of their grant. In the case of a director, officer, or employee, the option will terminate at the close of business on the date which is the earlier of (a) 90 calendar days after which the optionee ceases to be a director, officer, consultant or employee; or (b) such date as the Board may determine at the time of grant. In the case of a consultant performing investor relations activities, the option will terminate at the close of business on the date which is the earlier of (a) 30 calendar days after which the optionee ceases to be a consultant, or (b) such date as the Board may determine at the time of grant. The price at which an optionee may purchase a common share upon the exercise of a stock option will be as set out in the option agreement issued in respect of such option and in any event will not be less than as permitted pursuant to the policies of the TSX Venture Exchange (the TSX-V").

A stock option will be non-assignable otherwise than by Will or pursuant to the laws of succession except that, if permitted by the rules of the TSX-V, an optionee shall have the right to assign any option granted to him to a trust RRSP, RESP or similar legal entity established by such optionee.

## **Recommendation**

The Board of Directors is of the view that the Plan provides the Company with the flexibility necessary to attract and maintain the services of senior management and other employees in competition with other companies in the mineral resource industry. A copy of the Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Plan by contacting the Company at 604-536-2711. Directors shall also have the authority to amend the Plan to reduce the benefits to its participants if in their discretion it is necessary or advisable in order to obtain any necessary regulatory approvals.

Shareholders will be asked to ratify, confirm and approve the renewal of the Plan based on the following resolution. The affirmative vote of a majority of the votes cast in respect thereof is required in order to pass such resolution.

**Management of the Company recommends that shareholders vote in favour and unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the ordinary resolution approving renewal of the Plan.**

**“BE IT RESOLVED** that:

1. The renewal of the Company’s Stock Option Plan (the “Plan”) be ratified, confirmed and approved;
2. The Company be authorized to grant stock options for up to 10% of the common shares of the Company outstanding from time to time pursuant and subject to the terms and conditions of the Plan;
3. All existing stock options shall be subject to the provisions of the Plan;
4. The Board of Directors be authorized on behalf of the Company to make any amendments to the Plan as may be required by regulatory authorities, without further approval of the Shareholders of the Company, in order to ensure regulatory approval of the Plan; and
5. Any one director or officer of the Company be and he 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.”

#### ITEM 5 - APPROVAL OF SHARE CONSOLIDATION

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

As at the record date, the authorized share capital of the Company consists of an unlimited number of common shares of which 123,019,885 shares are issued and outstanding. In the event the Share Consolidation resolutions are passed and thereafter acted upon by the Board the authorized share capital of the Company will continue to consist of an unlimited number of common shares without par value, of which approximately 12,301,988 Common Shares would be issued and outstanding if the share consolidation ratio is implemented, the ratio of one (1) new Common Share being issued for each ten (10) previously held Common Shares. The Share Consolidation resolutions will provide the directors with sole and exclusive authority to determine whether the Share Consolidation should be acted upon and discretion to amend the consolidation ratio as deemed appropriate, the consolidation ratio not to exceed 10:1.

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

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

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

In accordance with the Articles of the Company and the *Business Corporations Act (British Columbia)*, the consolidation of common share capital of the Company must be approved by a simple majority of the votes cast at the Meeting.

**Management of the Company recommends that shareholders vote in favour and unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the ordinary resolution of the share consolidation.**

The following is the text of the ordinary resolution that is presented to shareholders:

**“BE IT RESOLVED** that:

- (a) The Company’s share capital be altered by consolidating 123,019,885 issued common shares without par value in the capital of the Company (or such other number of fully paid and issued common shares that are outstanding on the effective date of the Share Consolidation) on the basis of ten (10) old common shares of the Company being consolidated into one (1) new common share of the Company or such other consolidation ratio as the Board of Directors and management of the Company may deem appropriate, subject to the consent and approval of the TSX-V;
- (b) any fractional shares of the Company arising from the Share Consolidation be rounded down to the nearest whole share of the Company;
- (c) the directors of the Company, in their sole and complete discretion, be empowered to effect the Share Consolidation and to determine the actual Share Consolidation ratio (such ratio not to exceed ten (10) old common shares for one (1) new common share, or if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this resolution notwithstanding shareholder approval of the Share Consolidation;
- (d) should the directors of the Company choose to act upon this resolution to effect the Share Consolidation and subject to the deposit of this resolution at the Company’s records office, any one director or officer of the Company is authorized and directed to electronically file or cause to be filed, a Notice of Alteration with the Registrar of Companies of British Columbia, and
- (e) any one director or officer of the Company is authorized and directed on behalf of the Company to take all necessary steps and proceedings, and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things as may be necessary or desirable to give effect to these resolutions.”

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

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

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

#### Compensation Philosophy

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy.

Compensation for this fiscal year and prior fiscal years have historically been based upon a negotiated salary or fee, with stock options and bonuses potentially being issued and paid as an incentive for performance.

Consistent with this philosophy, the following goals provide a framework for our executive officers compensation program:

- Pay competitively to attract, retain, and motivate executive officers;
- Relate total compensation for each executive officer to overall company performance;
- Aggregate the elements of total compensation to reflect competitive market requirements and to address strategic business needs;
- Expose a portion of each executive officer's compensation to risk, the degree of which will positively correlate to the level of the named executive officer's responsibility and performance; and
- Align the interests of our executive officers with those of our shareholders.

The Company's directors or Named Executive Officer's ("NEO") are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

#### Oversight of Executive Compensation Program

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

In order to achieve these objectives, the compensation paid to the Company's executive officers consists of a base salary and long-term incentives in the form of stock options.

#### Option-based Awards – Stock Option Plan

The Board of Directors has the responsibility to administer compensation policies related to executive management of the Company, including option-based awards. (see "Business of the Meeting – Approval of Renewal of Stock Option Plan") (the "Plan").

Shareholders have approved the Plan pursuant to which the Board of Directors has granted stock options to executive officers and directors. The Plan provides compensation to participants and an additional incentive to work toward long-term Company performance.

Executive compensation is based upon the need to provide a compensation package that will allow the Company to attract and retain qualified and experienced executives, balanced with a pay-for-performance philosophy. The Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact and/or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX-V, and closely align the interests of the executive officers with the interests of the Company's shareholders.

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

### Compensation Philosophy

As discussed in further detail below, the Company's compensation program is comprised of salaries or fees and option-based awards granted pursuant to the Plan.

### *Salary and Fees*

The Company's view is that a competitive salary is a necessary element for attracting and retaining qualified executive officers. The Company also believes that attractive salaries or fees can motivate and reward executives for their overall performance. The amount payable to an NEO as a salary or fee may be based on several factors, including experience, past performance, anticipated future contributions, and comparisons to salaries and fees offered by other comparable companies. The Board of Directors reviews salaries and fees at least once per year to ensure they remain at appropriate levels.

### *Stock Options*

The Company provides its executives with strong incentives for long-term performance in the form of stock options through its Plan. The Board of Directors believes that stock options help the Company attract, motivate and retain key individuals. Initial grants of stock options to new executives facilitate the recruitment of new employees while ensuring the long-term interest of such executives.

### Summary Compensation Table

The following table sets forth all compensation for the periods indicated in respect of the individuals who served as the Chief Executive Officer and Chief Financial Officer of the Company at any time during the financial year of the Company, and all other executive officers of the Company who received, during the financial year of the Company salary in excess of \$150,000 (collectively the "NEOs"). The value of perquisites and benefits, if any, for each NEO was in all years less than the lesser of \$50,000 and 10% of the total annual salary or fee.

Name and Principal Position	Year Ended Dec 31	Salary or Fee Paid (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
John Icke, President and Chief Executive Officer <sup>(2)</sup>	2013	\$100,000	Nil	Nil	Nil	N/A	N/A	Nil	\$100,000
	2012	\$280,000	Nil	Nil	Nil	N/A	N/A	Nil	\$280,000
	2011	\$280,000	Nil	\$109,908	Nil	N/A	N/A	Nil	\$389,908
Golden Oak Corporate Services Ltd. Chief Financial Officer / Corporate Secretary <sup>(5)</sup>	2013	\$96,000	Nil	Nil	Nil	N/A	N/A	Nil	\$96,000
	2012	\$16,000	Nil	Nil	Nil	N/A	N/A	Nil	\$16,000
David McAdam, Chief Financial Officer <sup>(3)</sup>	2012	\$133,750	Nil	Nil	Nil	N/A	N/A	Nil	\$133,750
	2011	\$157,283	Nil	\$20,099	Nil	N/A	N/A	Nil	\$177,382
Jon Lever, Chief Financial Officer <sup>(4)</sup>	2011	\$24,344	Nil	Nil	Nil	N/A	N/A	Nil	\$24,344

**Notes:**

- (1) This amount represents the theoretical fair value, on the date of grant, of stock options granted under the Option Plan during each fiscal year. There was no cash compensation paid to any of the NEOs disclosed in the above table in connection with “option-based awards”. The grant date fair value has been calculated using the Black Scholes Merton model according to IFRS 2 – Share-Based Payments and will be recognized over the vesting term of the option. The key assumptions and estimates used for the calculation of the grant date fair value under this model include the risk-free, expected stock price volatility, expected life and expected dividend yield.
- (2) Mr. Icke is paid fees to JRI Strategy Consultants Inc., a company controlled by John Icke, which provides Mr. Icke’s services to the Company as President and CEO. Mr. Icke did not stand for re-election as a director at the Meeting.
- (3) Mr. McAdam was appointed CFO on April 8, 2011 and resigned as CFO on November 1, 2012 and his contract on December 15, 2012.
- (4) Mr. Lever was appointed as CFO on April 9, 2009 and resigned on April 8, 2011.
- (5) Consulting fees paid to Golden Oak Corporate Services Ltd., a company owned by Doris Meyer, which provides Doris Meyer’s and Dan O’Brien’s services to the Company. Ms. Meyer was appointed CFO and Corporate Secretary on November 1, 2012. On October 1, 2013, Mr. O’Brien was appointed CFO and Ms. Meyer continued as Corporate Secretary.

John Icke is the only NEO who is also a director of the Company. Mr. Icke did not receive additional compensation for his role as a director of the Company.

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth all awards outstanding as at December 31, 2013, held by NEOs under the Company’s Plan, as awards under the Plan are considered “optioned-based awards” under applicable securities laws.

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 (\$)
John Icke, President & Chief Executive Officer	240,000 <sup>(2)</sup>	\$0.110	Nov 25/ 14	Nil	Nil	Nil
	800,000	\$0.155	Jan 24/16	Nil	Nil	Nil

**Notes:**

- (1) This amount is based on the difference between the market value of the Company’s common shares underlying the options as at December 31, 2013, which was \$0.005, and the exercise price of the option.
- (2) These options were granted in the name of JRI Strategy Consultants Inc., a company controlled by John Icke. Mr. Icke did not stand for re-election as a director at the Meeting and the options will expire, unless earlier exercised, on September 9, 2014.

**Incentive Plan Awards - Value of Share-Based and Option-Based Awards Vested or Earned During the Year**

The following table sets forth, for each NEO, the values of all incentive plan awards which vested or were earned during the year ended December 31, 2013.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
John Icke, President & Chief Executive Officer <sup>(2)</sup>	Nil	Nil	Nil

**Notes:**

- (1) Amounts indicated in the column reflect the aggregate dollar value that would have been realized by the NEO if the options under his option-based awards which vested during 2013 were exercised by him on the vesting date. Aggregate dollar value is calculated by subtracting the exercise price of the option from the closing price of the common shares on the TSX-V on the vesting date. Options which are out-of-the-money on the vesting date (i.e., the exercise price is greater than the closing price of the underlying common shares) will have a nil value.
- (2) A portion of these options were granted in the name of JRI Strategy Consultants Inc., a company controlled by John Icke.



#### Option-based Awards Exercised During the Year

No options were exercised by any NEO during the financial year ended December 31, 2013.

#### Option-based Awards Granted During the Year

No options were granted to any NEO during the financial year ended December 31, 2013.

#### Pension Plan Benefits

The Company does not have pension, retirement or deferred compensation plans that provide for payments or benefits to the NEOs at, following, or in connection with retirement.

#### Long-term Incentive Plan ("LTIP") Awards

A long term incentive plan ("LTIP") is a plan providing compensation intended to motivate performance over a period greater than one financial year and does not include option or stock appreciation rights ("SARS") plans or plans for compensation through shares or units that are subject to restrictions on resale. The Company did not award any LTIPs to any NEOs during the most recently completed financial year. The grant of stock options pursuant to the Company's Plan is set out in further detail above.

#### Termination of Employment, Changes in Responsibility & Employment Contracts

Except as disclosed herein, the Company does not have any employment contracts between any Named Executive Officer, Director or Officer, nor does it have any arrangements with any Named Executive Officer, Director or Officer for compensation in the event of resignation, retirement or other termination with the Company. Since 2008, the Company has engaged John Icke, through his wholly owned and controlled company, JRI Strategy Consultants Inc. ("JRI"), to provide the consulting services of Mr. Icke. From January 2008 to June 2009 Mr. Icke served as the Company's President and Chief Operating Officer, and from June 2009 to present as the Company's Chief Executive Officer. Until December 31, 2012, Mr. Icke provided his full-time services for an annual fee of \$280,000 and participated in the Company's health benefits and stock option plans. From January 1, 2013 to August 31, 2013, JRI reduced its fees by 45% to an annual fee of \$150,000 and since September 1, 2013, JRI has taken no compensation. There is no change of control obligation payable under Mr. Icke's arrangement. Mr. Icke did not stand for re-election as a director at the Meeting and on the date of the Meeting he will not be re-appointed as the Company's President and Chief Executive Officer.

On November 1, 2012, the Company entered into a consulting agreement with Doris Meyer and her wholly owned company, Golden Oak Corporate Services Ltd. ("Golden Oak"), (the "Meyer Agreement") in connection with provision by Dan O'Brien and Doris Meyer of their services as the Chief Financial Officer and Corporate Secretary of the Company and the provision as an independent contractor by Golden Oak to the Company of accounting, financial, corporate and regulatory compliance services in consideration of an annual service fee of \$96,000 plus applicable taxes and reimbursement of reasonable office costs and expenses and all pre-approved travel and out-of-pocket expenses incurred by Golden Oak in furtherance of or in connection with the business of the Company and its subsidiaries. The Meyer Agreement was for an initial term of one year which, unless terminated in accordance with its terms, is being renewed annually. The Meyer Agreement may be terminated by the Company for cause without notice or without cause at any time upon ten days' written notice of termination specifying the date of such termination, in which event the Company shall pay to Golden Oak an amount equal to one-half of the service fee then payable under the Meyer Agreement and, upon such payment and reimbursement of any other amounts then due and owing, Golden Oak shall have no further recourse from the Company. The Meyer Agreement may be terminated by Golden Oak upon 60 days' written notice to the Company provided that the Company may waive such notice, in which case Golden Oak's services will terminate upon the Company giving such waiver. During the 60 day notice period, Golden Oak and Ms. Meyer will agree to perform their obligations to the Company if the Company requests such performance and will perform such obligations in the manner directed by the Company. On a defined change of control event and if Golden Oak terminates its services within 90 days following the event, or if Golden Oak's services are terminated by the Company without cause, Golden Oak will be entitled to be paid by the Company one-half of the annual service fee in effect at the time of



the change of control event. The Meyer Agreement contains non-disclosure and non-solicitation provisions typical of an agreement of its nature.

Under the terms of the Meyer Agreement detailed above, in the event of termination other than for cause, assuming that the triggering event took place on December 31, 2013, then Golden Oak would be entitled be paid \$48,000.

#### Directors' and Officers' Insurance

The Company procures a comprehensive directors' and officers' liability insurance program. Subject to policy conditions, this program is intended to cover each individual's liability arising from their duties as a director or officer of the Company provided they acted honestly and in good faith with a view to the best interests of the Company.

#### **Compensation of Directors**

Non-executive directors have not received any compensation for their services as directors in 2013.

Directors are entitled to be reimbursed for expenses incurred by them in their capacity as directors.

#### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth details of all awards outstanding as at December 31, 2013, including awards granted prior to the most recently completed financial year for the non-executive directors of the Company. The closing price of the Company on the TSX-V on December 31, 2013 was \$0.005.

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 (\$)
Hein Poulus	750,000	\$0.155	Jan 24/16	Nil	Nil	Nil
	1,500,000	\$0.110	Nov 25/ 14	Nil	Nil	Nil
Ronald Shorr	500,000	\$0.155	Jan 24/16	Nil	Nil	Nil
	200,000	\$0.060	Feb 9/14	Nil	Nil	Nil
	200,000	\$0.080	Oct 19/ 14	Nil	Nil	Nil
Alexander Poulus	750,000	\$0.155	Jan 24/16	Nil	Nil	Nil
	250,000	\$0.080	Oct 19/14	Nil	Nil	Nil
	300,000	\$0.055	Jul 1/14	Nil	Nil	Nil

#### **Notes:**

- (1) This amount is based on the difference between the market value of the Company's common shares underlying the options as at December 31, 2013, which was \$0.005, and the exercise price of the option.

#### Value of Share-Based and Option-Based Awards Vested or Earned During the Year

There was no value of incentive plan awards which vested or were earned during the year ended December 31, 2013 for non-executive directors.

#### Option-based Awards Exercised During the Year

No options were exercised by any non-executive director during the financial year ended December 31, 2013.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as at December 31, 2013.

Equity Compensation Plan Information as at December 31, 2013

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at December 31, 2013
Equity compensation plans approved by security holders <sup>(1)</sup>	6,565,000	\$0.12	5,736,988
Equity compensation plans not approved by security holders	-	-	-
Total	6,565,000	\$0.12	5,736,988

<sup>(1)</sup> The Plan is detailed under Business of the Meeting, Item 4 - Approval of Renewal of Stock Option Plan

## CORPORATE GOVERNANCE

The following is a summary of certain aspects of the Company's approach to corporate governance.

### Composition of the Board and Independence

The Board adopted a Charter mandating its responsibilities for the stewardship of the business and for acting in the best interests of the Company and its shareholders. Pursuant to the Charter, the Board discharges its responsibilities directly and through its Committees of the Board, currently consisting of the Audit Committee. The Board assigns to this Committee the general responsibility for developing the Company's approach to financial reporting and internal controls.

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of at least half of independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment. The Board is currently comprised of six directors, four of whom are considered to be independent. *Ronald Shorr, Alexander Poulus, Scott Close and Andrew Lee Smith* are considered to be independent. *John Icke* is not considered to be independent, as he is part of management and *Hein Poulus* is not considered independent due to his shareholding position. Mr. Icke did not stand for re-election at the Meeting.

The Board facilitates its exercising of independent supervision over the Company's management through meetings of the board of directors, both with and without members of the Company's management (including members of management that are also directors) being in attendance.

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is composed of a majority of independent directors.

### Directorship

The following is a list of each director or nominee director of the Company who is also a director of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction:

<u>Name of director</u>	<u>Other reporting issuer</u>
Hein Poulus	Finavera Wind Energy Inc. Terreno Resources Corp.
Alexander Poulus	Teslin River Resources Corp.
Ronald Shorr	European Uranium Resources Ltd. Technical Advisory Board of Gespeg Copper Inc.
Andrew Lee Smith	East Africa Metals Scorpio Gold True North Gems Tigray Resources Inc.

### Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business and industry and on the responsibilities of directors. New directors also receive historical public information about the Company and the mandates of the committees of the Board. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, new directors are encouraged to visit and meet with management on a regular basis and to pursue continuing education opportunities where appropriate.

### Ethical Business Conduct

The Board has approved a Code of Business Conduct and Ethics (the "Code") to be followed by the Company's directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Company's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, protect confidential or proprietary information and comply with the applicable government laws and securities rules and regulations. In the event that a director, officer or employee departs from the Code, the Company is authorized to file a material change report. The board does not actively monitor compliance with the Code, but requires prompt notification of apparent or real breaches so that it may investigate and take action. The Code has been circulated to all employees.

When proposed transactions or agreements in which directors or officers may have an interest, material or not, are presented to the Board, such interest is disclosed and the persons who have such an interest are excluded from all discussion on the matter and are not allowed to vote on the proposal.

## Nomination of Directors

The Board has disbanded its nominating committee because the Board now fulfills these functions. Once a decision has been made to add or replace a director, proposals are put forth by the Board and considered and discussed. If a candidate looks promising, the Board will conduct due diligence on the candidate and, if the Board is satisfied with the results, the candidate is invited to join the board.

## Compensation

The Board of Directors is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Company and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Company's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general. In order to achieve these objectives, the compensation paid to the Company's executive officers consists of a base salary and long-term incentive in the form of stock options.

## Other Board Committees

The Board has appointed an Audit Committee and no others. The Audit Committee is comprised of Ronald Shorr, Alexander Poulus and Scott Close. A description of the function of the Audit Committee can be found at Audit Committee Information.

## Assessments

The Board assesses, from time to time, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board.

# **AUDIT COMMITTEE**

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The Board of Directors of the Company adopted an Audit Committee Charter mandating the role of the Audit Committee in supporting the Board of Directors in meeting its responsibilities to the shareholders. The Audit Committee Charter is attached hereto as Appendix "A".

## Composition of the Audit Committee

The members of the audit committee are Ronald Shorr (Chairman), Alexander Poulus and Scott Close. All members are considered to be financially literate and independent.

A member of the audit committee is considered *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 Company.

A member of the audit committee is *independent* if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's board of directors, reasonably interfere with the exercise of a member's independent judgment.

### Relevant Education and Experience

*Ronald Shorr*, CFA, holds a B.A. from the University of Michigan and an M.B.A. in Finance from Harvard Business School. He was a senior securities analyst for most of his career with such firms as Morgan Stanley Dean Witter, E. F. Hutton, NatWest and Bear Stearns. Mr. Shorr was Chairman of the Board, CEO and CFO of Maudore Minerals Ltd., listed on the TSX-V, from August 2004 to July 2012. He serves as a director and on the Audit Committee of European Uranium Resources Ltd. and in March 2013 he joined the advisory board of Gespeg Copper Inc., listed on the TSX-V. Since September 2013, he serves as Chairman of the Board and CEO of a private company, Vermillion Gold Inc.

*Alexander Poulus* holds a B.A. in Economics from the University of British Columbia and is a Certified Financial Planner. He has completed the Canadian Securities Course in addition to holding Mutual Fund Sales and Compliance licences. Mr. Poulus is a Fellow of the Institute of Canadian Bankers and spent his career in Commercial and Retail Banking as well as Finance. He retired from TD Canada Trust in September, 2006.

*Scott Close* graduated with a Masters' degree in Earth Science from Simon Fraser University in Burnaby, British Columbia. Mr. Close has been involved in a broad range of geologic exploration projects throughout North America and Australia. Mr. Close's academic research concentrated on structural geology and field mapping. He is President and Chief Geologist of Ethos Geological, Inc., a geological consulting firm providing worldwide technical analysis and logistics for the resource sector. Previous positions held by Mr. Close include a consulting position as the Exploration Manager of Romios Gold Resources' British Columbia projects until December of 2012, exploration geologist for NovaGold Inc., and several other consulting and exploration geology roles for the mining industry.

### Reliance on Certain Exemptions in NI 52-110

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions in National Instrument 52-110:

- (a) section 2.4 (de minimis non-audit services)
- (b) section 3.2 (initial public offerings)
- (c) section 3.4 (events outside control of member)
- (d) section 3.5 (death, disability or resignation of audit committee member)
- (e) an exemption from NI Instrument, in whole or in part, granted under Part 8 (exemptions)
- (f) section 3.8 (acquisition of financial literacy)

### Audit Committee Oversight

Since the commencement of the Company's recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the board of directors.

### Pre-Approval Policies on Certain Exemptions

The audit committee has, within the charter of the audit committee, adopted specific policies and procedures for the engagement of non-audit services.

### External Auditor Services Fees

The audit committee has reviewed the nature and amount of the services provided by Grant Thornton LLP to the Company to ensure auditor independence. Third party fees billed for audit services included in the last two fiscal years are outlined below:

<b>Nature of Services</b>	<b>Fees Billed by Auditor included in Year Ended December 31, 2013</b>	<b>Fees Billed by Auditor included in Year Ended December 31, 2012</b>
Audit Fees <sup>(1)</sup>	\$25,000	\$ 29,500
Audit Related Fees	-	-
Tax Fees <sup>(2)</sup>	2,500	2,500
<b>Total</b>	<b>\$27,500</b>	<b>\$ 32,000</b>

<sup>(1)</sup> “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

<sup>(2)</sup> “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director, officer or employee, or former director, officer or employee of the Company or its subsidiaries, was indebted to the Company during the most recently completed financial year ended December 31, 2013, for other than “routine indebtedness”, as that term is defined by applicable securities law.

### **MANAGEMENT CONTRACTS**

The management functions of the Company, and its subsidiaries, are performed by our directors and executive officers and, except as set out herein, we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company.

### **OTHER MATTERS TO BE ACTED UPON**

It is not known that any other matters will come before the Meeting other than as set forth above and in the Notice of Meeting accompanying this Information Circular, but if such should occur the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). The audited financial statements of the Company for the year ended December 31, 2013 and the report of the auditor thereon will be placed before the Meeting.

Shareholders may contact the Company at its corporate offices at Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6 to request copies of the Company’s financial statements and MD&A.

## **DIRECTOR'S APPROVAL**

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company.

DATED at Vancouver, British Columbia, this 7th day of May, 2014.

## **BY ORDER OF THE BOARD OF DIRECTORS**

*"Hein Poulus"*

Hein Poulus

Director and Chairman



## **SCHEDULE "A"**

### **RESINCO CAPITAL PARTNERS INC.**

#### **Audit Committee Charter**

##### **1.0 Purpose of the Committee**

1.1 The Audit Committee represents the Board in discharging its responsibility relating to the accounting, reporting and financial practices of the Company and its subsidiaries, and has general responsibility for oversight of internal controls, accounting and auditing activities and legal compliance of the Company and its subsidiaries.

##### **2.0 Members of the Committee**

2.1 The Audit Committee shall consist of no less than three Directors, all of whom shall be "independent" as defined under National Instrument 52-110. The members of the Committee shall be selected annually by the Board and shall serve at the pleasure of the Board.

2.2 At least one Member of the Audit Committee must be "financially literate" as defined under National Instrument 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

##### **3.0 Meeting Requirements**

3.1 The Committee will, where possible, meet on a regular basis at least once every quarter, and will hold special meetings as it deems necessary or appropriate in its judgment. Meetings may be held in person or telephonically, and shall be at such times and places as the Committee determines. Without meeting, the Committee may act by unanimous written consent of all members which shall constitute a meeting for the purposes of this charter.

3.2 A majority of the members of the Committee shall constitute a quorum.

##### **4.0 Duties and Responsibilities**

The Audit Committee's function is one of oversight only and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements. Specifically, the Audit Committee will:

- (a) have the authority with respect to the appointment, retention or discharge of the independent public accountants as auditors of the Company (the "auditors") who perform the annual audit in accordance with applicable securities laws, and who shall be ultimately accountable to the Board through the Audit Committee;
- (b) review with the auditors the scope of the audit and the results of the annual audit examination by the auditors, including any reports of the auditors prepared in connection with the annual audit;
- (c) review information, including written statements from the auditors, concerning any relationships between the auditors and the Company or any other relationships that may adversely affect the independence of the auditors and assess the independence of the auditors;

- (d) review and discuss with management and the auditors the Company's audited financial statements and accompanying Management's Discussion and Analysis of Financial Conditions ("MD&A"), including a discussion with the auditors of their judgments as to the quality of the Company's accounting principles and report on them to the Board;
- (e) review and discuss with management the Company's interim financial statements and interim MD&A and report on them to the Board;
- (f) pre-approve all auditing services and non-audit services provided to the Company by the auditors to the extent and in the manner required by applicable law or regulation. In no circumstances shall the auditors provide any non-audit services to the Company that are prohibited by applicable law or regulation;
- (g) evaluate the external auditor's performance for the preceding fiscal year, reviewing their fees and making recommendations to the Board;
- (h) periodically review the adequacy of the Company's internal controls and ensure that such internal controls are effective;
- (i) review changes in the accounting policies of the Company and accounting and financial reporting proposals that are provided by the auditors that may have a significant impact on the Company's financial reports, and report on them to the Board;
- (j) oversee and annually review the Company's Code of Business Conduct and Ethics;
- (k) approve material contracts where the Board of Directors determines that it has a conflict;
- (l) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding the audit or other accounting matters;
- (m) where unanimously considered necessary by the Audit Committee, engage independent counsel and/or other advisors at the Company's expense to advise on material issues affecting the Company which the Audit Committee considers are not appropriate for the full Board;
- (n) satisfy itself that management has put into place procedures that facilitate compliance with the provisions of applicable securities laws and regulation relating to insider trading, continuous disclosure and financial reporting;
- (o) review and monitor the adequacy and effectiveness of the Company's whistleblower policy and approve any changes to made thereto;
- (p) review and monitor all related party transactions which may be entered into by the Company; and
- (q) periodically review the adequacy of its charter and recommending any changes thereto to the Board.

## **5.0 Miscellaneous**

5.1 Nothing contained in this Charter is intended to extend applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.