

# **MONTANA GOLD MINING COMPANY INC.**

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS TO BE HELD ON  
JUNE 30, 2015**

**AND**

**MANAGEMENT INFORMATION CIRCULAR  
DATED MAY 29, 2015**

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

**NOTICE IS HEREBY GIVEN** that an annual general meeting of shareholders of **MONTANA GOLD MINING COMPANY INC.** (the "Corporation") will be held on Tuesday, June 30, 2015 at Stikeman Keeley Spiegel Pasternack LLP, Waterfront Boardroom, Suite 2300, 200 Front Street West, Toronto, Ontario, M5V 3K2 at 1:00 p.m. (Toronto time) (the "Meeting"), for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended December 31, 2014, together with the report of the auditors thereon;
2. to elect directors;
3. to re-appoint auditors and to authorize the directors to fix their remuneration; and
4. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice are a Management Information Circular, a Form of Proxy (if you are a registered shareholder) or a Voting Instruction Form (if you are a non-registered shareholder), and a Supplemental Mailing List Form. The accompanying Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed Form of Proxy or Voting Instruction Form in accordance with the instructions set out in the Proxy or Voting Instruction Form and in the Management Information Circular accompanying this Notice. Please advise the Corporation of any change in your mailing address.

**Only holders of common shares of record at the close of business on May 29, 2015 (the "Record Date") will be entitled to vote at the Meeting.**

**DATED** at London, Ontario, the 29th day of May, 2015.

**BY ORDER OF THE BOARD**

(Signed) "Edward L. Ellwood"

Edward L. Ellwood, President and CEO

**MONTANA GOLD MINING COMPANY INC.**

**MANAGEMENT INFORMATION CIRCULAR**

(containing information as at May 29, 2015 unless otherwise noted)

**SOLICITATION OF PROXIES**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of **MONTANA GOLD MINING COMPANY INC.** (the "Corporation") for use at the annual general meeting of shareholders of the Corporation (the "Meeting") to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

**PERSONS OR COMPANIES MAKING THE SOLICITATION**

The enclosed Form of Proxy (the "Proxy") is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made by regular officers and employees of the Corporation at nominal cost. The cost of solicitation by management will be borne directly by the Corporation. None of the directors of the Corporation have advised that they intend to oppose any action intended to be taken by management as set forth in this Management Information Circular.

**APPOINTMENT AND REVOCATION OF PROXIES**

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

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be deposited with the Corporation's Registrar and Transfer Agent, **TMX Equity Transfer Services, Suite 300, 200 University Ave., Toronto, Ontario M5H 4H1, Fax: (416) 595-9593** at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the close of business on the second business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked. A shareholder attending the Meeting has the right to vote in person and if he does so, his proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

**ADVICE TO BENEFICIAL SHAREHOLDERS**

**Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting.** However, in many cases, Common Shares owned by a person are registered either (a) in the name of an intermediary (an "Intermediary") that the non-registered holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS") of which the Intermediary is a participant (a "non-registered holder"). In

accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for onward distribution to non-registered holders of Common Shares. Intermediaries are required to forward the Meeting Materials to non-registered holders unless a non-registered holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. 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 vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a form of proxy 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, will constitute voting instructions (often called a “Voting Instruction Form”) which the Intermediary must follow. Typically the non-registered holder will also be given 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 Voting Instruction Form, the non-registered holder must remove the label from the instructions and affix it to the Voting Instruction Form, properly complete and sign the Voting Instruction Form and submit 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 Common Shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder’s name in the blank space provided. Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its 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 on your behalf.

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### **VOTING AND EXERCISES OF DISCRETION BY PROXIES**

The Proxy affords the shareholder an opportunity to specify that the shares registered in his name shall be voted or withheld from voting in respect of the election of directors and the appointment of auditors. The Proxy also affords the shareholder the opportunity to specify that the shares registered in his name shall be voted in favour of or against any resolutions proposed for approval at the Meeting in accordance with such direction. On any ballot that may be called for, the shares represented by proxies in favour of management nominees will be voted or withheld from voting in respect of the election of directors and the appointment of auditors and authorizing the directors to fix the remuneration of the auditors, in each case in accordance with the instructions made by shareholders in the manner referred to above.

**In the absence of any direction in the Proxy, it is intended, if management’s proxyholders are selected, that such shares will be voted with respect to the election of directors and/or the appointment of the auditors in the manner proposed by management herein, on any ballot that may be called for, in respect of such matters, and IN FAVOUR of the motions proposed to be made at the Meeting, if any, as stated under the headings in**

**this Management Information Circular.** The enclosed Proxy, 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 Management Information Circular, management of the Corporation 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 named proxyholder.

**Level of Approval Required**

In order to be effective, the resolutions concerning the general matters to be considered by the shareholders at this meeting including the election of directors and the appointment and remuneration of auditors must be passed by a majority of the votes cast at the Meeting.

**VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Corporation consists of an unlimited number of common shares (the “Common Shares”). As of May 29, 2015 (the “Record Date”), 47,814,765 Common Shares were issued and outstanding, each share carrying the right to one vote.

At a general meeting of shareholders of the Corporation, on a show of hands, every shareholder holding Common Shares, present in person, shall have one vote and, on a poll by ballot, every shareholder holding Common Shares shall have one vote for each Common Share of which he is the holder.

Only shareholders of record on the close of business on the Record Date, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions described above will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

The following table shows, as at the date hereof, each person who is known to the Corporation, or its directors and officers to beneficially own, directly or indirectly, or that controls or directs, more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting.

Name	Number of Voting Securities	Percentage of Outstanding Voting Securities <sup>(1)</sup>
CDS & Co. <sup>(2)</sup>	30,562,356	63.92%

Notes: (1) Based on 47,814,765 Common Shares issued and outstanding as at the date hereof.  
 (2) CDS & Co. holds the Common Shares on behalf of financial intermediaries. The Corporation does not believe that they represent the beneficial holdings of any individual person or corporation who owns more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to vote at the Meeting.

**ELECTION OF DIRECTORS**

Eight directors are to be elected at the Meeting.

Each director of the Corporation is elected annually and holds office until the next annual meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by the Proxy will, on a poll by ballot, be voted (if management’s proxies are selected) in favour of the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the management’s nominees for election as directors, the positions and offices which they presently hold with the Corporation, the length of time they have served as directors of the Corporation, their respective principal occupations or employments during the past five years, if such nominee is not presently an elected director and the number of voting shares of the Corporation which each beneficially owns,

directly or indirectly, or over which control or direction is exercised as of the date of this Management Information Circular.

<b>Name and Country of Residence of Proposed Directors</b>	<b>Office Held</b>	<b>Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years</b>	<b>Director Since</b>	<b>Number of Voting Shares (1)</b>
Kent Britton (2) (4) Alberta, Canada	Director	Stony Mountain Waste Management- December 2012- present; Britton and Associates Associate , January 2010 – January 2011.	September 23, 2011 to June 29, 2012, then from January 24, 2013.	Nil
Edward L. Ellwood (3)(4)(5) Ontario, Canada	Director, Chief Executive Officer and President	President and CEO of the Corporation, management consultant, and independent business owner	April 1, 2010	3,916,796
Luard Manning British Columbia, Canada (4)	Director	President of L.J. Manning & Associates Ltd. a mining consulting firm.	March 16, 2011 to June 29, 2012, then from January 24, 2013.	66,250
John Frederick O'Donnell Toronto, Ontario, Canada (3)	Director and Chairman of the Board	Lawyer practicing as Counsel to Stikeman, Keeley Spiegel Pasternack LLP, Toronto, Ontario	Gold Reef International, Inc. (now called Montana Gold Mining Company Inc.): director from its incorporation on Dec 21, 2000 until Feb 12, 2009; President (Dec 21, 2000 to Feb 1, 2007); reappointed President, and CEO on Dec 10, 2008 until resignation on Feb 12, 2009. reappointed as director and Chairman on May 29, 2014	1,036,862
Eric J. Plexman (3) Ontario, Canada	Director, Chief Financial Officer and Secretary	Secretary and CFO of the Corporation, management consultant.	April 1, 2010	2,886,230
Paul Teodorovici (5) Quebec, Canada	Director, Executive- Vice President	Vice-President of the Corporation; Property management consultant.	March 25, 2011	2,533,588
Clifford A. Wiebe (2)(5) Manitoba, Canada	Director	Independent business consultant.	August 19, 2005	300,000
John Wozny (2)(5) Alberta, Canada	Director	Professional psychologist.	March 25, 2011	53,890

Notes:

- (1) The information as to shares beneficially owned or over which control or direction is exercised is not within the knowledge of the Corporation and has been furnished by the respective nominees individually or was obtained from insider filings. Directors may also receive options.
- (2) Member of the Audit Committee.
- (3) Member of Governance & Disclosure Committee.
- (4) Member of Health, Safety & Environmental Committee.
- (5) Member of Compensation Committee

The term of office of each director will be from the date of the Meeting until the next annual meeting of the Corporation or until his successor is elected or appointed, unless the office is vacated earlier in accordance with the general by-law of the Company.

**Proxies received in favour of Management will be voted for the election of the nominees whose names are set forth above unless instructions are given to withhold from voting on the election of directors.**

To the knowledge of the Corporation, no proposed director

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular a director, chief executive officer or chief financial officer of any company that:
  - i. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - ii. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **EXECUTIVE COMPENSATION**

### **Executive Officers of the Corporation**

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers”):

- (a) the Corporation’s Chief Executive Officer (“CEO”);
- (b) the Corporation’s Chief Financial Officer (“CFO”);
- (c) each of the Corporation’s three most highly compensated executive officers, other than the CEO and CFO who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 per year, and
- (d) any additional individuals for whom disclosure would have been provided under (c) but for the fact that the individual was not serving as an officer of the Corporation at the end of the most recently completed fiscal year.

During the fiscal year ended December 31, 2014, the Corporation had two Named Executive Officers, namely, Edward Ellwood and Eric Plexman.

## **Compensation Discussion and Analysis**

The executive compensation policy of the Corporation is determined with a view to securing the best possible talent to manage the Corporation. Executive officers expect to gain additional income from the appreciation in the value of the Common Shares they hold in the Corporation, including stock options. Compensation is determined on a judgmental basis after review by the board of directors of the contribution of each individual, including the executive officers of the Corporation. Although they may be members of the board of directors, the executive officers do not individually make any decisions with respect to their respective compensation.

Compensation paid to the Named Executive Officers is based on comparison to compensation paid to officers of companies in a similar business, size and stage of development and reflects the need to provide incentive and compensation for the time and effort expended by the Named Executive Officers, while taking into account the financial and other resources of the Corporation, as well as increasing shareholder value.

The Corporation's executive compensation currently consists of base salary and incentive stock options, in the form of participation in the Corporation's Stock Option Plan.

### ***Base Salary***

Base salary is the principal component of executive compensation and the base salary for each executive officer is based on the position held, the related responsibilities and functions performed by the executive and salary ranges for similar positions in comparable companies. Individual and corporate performance is also taken into account in determining base salary levels for executives.

### ***Option-based awards***

Options are awarded to executive officers in lieu of higher salaries. The grant of stock options under the Corporation's existing stock option plan is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term and to reward employees for both past and future performance. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his position with and contribution to the Corporation. Previous grants of stock options are taken into account when new options are granted to an individual.

### ***Bonuses***

Bonuses may be paid in the future for significant and specific achievements which have a strategic impact on the fortunes of the Corporation.

### **Summary Compensation Table**

The following table is a summary of compensation paid to the Named Executive Officers for each of the Corporation's three most recently completed fiscal years.



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			
Edward Ellwood, President and CEO	2014	120,000 <sup>(1)</sup>	Nil	6,967 <sup>(3)</sup>	Nil	Nil	Nil	Nil	126,967 <sup>(1)</sup>
	2013	120,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	21,500 <sup>(1)</sup>	141,500 <sup>(1)</sup>
	2012	120,000 <sup>(1)</sup>	Nil	11,160 <sup>(4)</sup>	Nil	Nil	Nil	21,750 <sup>(1)</sup>	152,910 <sup>(1)</sup>
Eric J. Plexman, CFO	2014	60,000 <sup>(2)</sup>	N/A	6,967 <sup>(3)</sup>	Nil	Nil	Nil	Nil	66,967 <sup>(2)</sup>
	2013	60,000 <sup>(2)</sup>	N/A	Nil	Nil	Nil	Nil	21,500 <sup>(2)</sup>	81,500 <sup>(2)</sup>
	2012	60,000 <sup>(2)</sup>	N/A	11,160 <sup>(4)</sup>	Nil	Nil	Nil	21,750 <sup>(2)</sup>	92,910 <sup>(2)</sup>

- (1) 2014: Salary of \$120,000 was accrued.  
2013: Salary and other compensation of \$94,600 was accrued.  
2012: Salary and other compensation of \$141,750 was accrued.
- (2) 2014: Salary \$47,900 was accrued.  
2013: Salary and other compensation in the amount of \$48,400 was accrued.  
2012: Salary and other compensation in the amount of \$81,750 was accrued.
- (3) Option-based Awards are calculated using the Black-Scholes Option Pricing Model to determine grant date fair value. Mr. Ellwood and Mr. Plexman were each granted 100,000 stock options during the year ended December 31, 2014 with an estimated fair value of \$0.0697 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during the year ended December 31, 2014, was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.5%, estimated volatility of 233%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%.
- (4) Option-based Awards are calculated using the Black-Scholes Option Pricing Model to determine grant date fair value. Mr. Ellwood and Mr. Plexman were each granted 450,000 stock options during the year ended December 31, 2012 with an estimated fair value of \$0.025 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of stock options granted during the year ended December 31, 2012, was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.53%, estimated volatility of 261%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%.

## Incentive Plan Awards

### *Outstanding share-based awards and option-based awards*

The following table sets out the outstanding share options held by the Named Executive Officers as at December 31, 2014:

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 share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Edward Ellwood	450,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.08	July 2, 2019	Nil	Nil	Nil
Eric Plexman	450,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.08	July 2, 2019	Nil	Nil	Nil

(1) The closing market price of the Corporation's common shares on the CNSX on December 31, 2014 was \$0.04.

### *Incentive plan awards – value vested or earned during the year*

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 (\$)
Edward Ellwood	Nil	Nil	Nil
Eric Plexman	Nil	Nil	Nil

## Pension Plan Benefits

The Corporation does not provide retirement benefits for directors or executive officers.

## TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Employment and management service contracts between the Corporation and its executive officers set out base salary, bonus, stock option, benefits and termination provisions. The executive officers as of the date of this information circular are Edward Ellwood, President and CEO and Mr. Eric Plexman, CFO and Secretary. The executive officers held employment contracts during the year ended December 31, 2014 but were not fully paid under these contracts and some amounts were accrued.

If Mr. Ellwood's employment is terminated without cause, he is entitled to one (1) year of his then base annual fee, plus one twelfth (1/12<sup>th</sup>) of his then base annual fee for each year of service with the Corporation after April 1, 2010, in any capacity, plus a continuation of insurance provided by the Corporation's health, life, and LTD insurance coverage program for a period as specified by the Ontario *Employment Standards Act*. In the event Mr. Ellwood is terminated for "just cause", he shall receive any payments specified by the Ontario *Employment Standards Act*. In the event that the Corporation is acquired or is the non-surviving party in a merger, Mr. Ellwood's positions shall be considered terminated and he will be entitled to two (2) years then base annual fees.

If the employment of Mr. Plexman is terminated without cause, he is entitled to one (1) year of his then base annual fee, plus one twelfth (1/12<sup>th</sup>) of his then base annual fee for each year of service with the Corporation in any capacity after July 1, 2010, plus a continuation of insurance provided by the Corporation's health, life, and LTD

insurance coverage program for a period as specified by the Ontario *Employment Standards Act*. In the event Mr. Plexman is terminated for “just cause”, he shall receive any payments specified by the Ontario *Employment Standards Act*. In the event that the Corporation is acquired or is the non-surviving party in a merger, his position shall be considered terminated and he will be entitled to two (2) years then base annual fees.

### DIRECTOR COMPENSATION

Directors of the Corporation are currently paid \$20,000 per fiscal year for their services as directors. Each director and each member of a board-appointed committee of directors is paid \$250.00 for each meeting of the board or board-appointed committee attended by that director or committee member where formal minutes are taken. Three directors who are also officers elected to permanently opt out of eligibility for director fees effective June 1, 2014 so long as they are receiving management fees. Directors are entitled to receive compensation from the Corporation to the extent that they provide other services to the Corporation and any such compensation is based on rates that would be charged by such directors for such services to arm’s length parties.

Directors are also entitled to participate in the Corporation’s existing stock option plan and, at the time of joining the board, directors may be granted options to purchase Common Shares.

#### *Director compensation table 2014*

Name (1)	Fees earned <sup>(3)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Kent Britton	\$21,000	Nil	\$6,967	Nil	Nil	Nil	\$27,967
Luard Manning	\$20,250	Nil	\$6,967	Nil	Nil	Nil	\$27,217
John O’Donnell	\$12,813	Nil	\$30,169	Nil	Nil	Nil	\$42,982
Paul Teodorovici <sup>(4)</sup>	Nil	Nil	\$6,967	Nil	Nil	\$60,000 <sup>(5)</sup>	\$66,967
Clifford Wiebe	\$21,500	Nil	\$5,485	Nil	Nil	Nil	\$26,985
John Wozny	\$21,000	Nil	\$5,485	Nil	Nil	Nil	\$26,485

- (1) Compensation for Edward Ellwood and Eric Plexman is disclosed in Summary Compensation Table in Executive Compensation section.
- (2) Option-based Awards are calculated using the Black-Scholes Option Pricing Model to determine grant date fair value. During the year ended December 31, 2014, Mr. Britton, Mr. Manning, Mr. Teodorovici, Mr. Wiebe and Mr. Wozny were each granted 100,000 stock options. Mr. O’Donnell was granted 550,000 stock options.
  - a. The stock options granted to Mr. O’Donnell, Mr. Wiebe and Mr. Wozny have an estimated fair value of \$0.0549 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of these stock options was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.33%, estimated volatility of 233%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%;
  - b. The Stock options granted to Mr. Britton, Mr. Manning and Mr. Teodorovici have an estimated fair value of \$0.0697 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. The fair value of these stock options was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 1.50%, estimated volatility of 233%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%.
- (3) Accrued.
- (4) Mr. Teodorovici received compensation as Executive Vice-President.
- (5) \$55,500 was accrued.

**Share-based awards, option based awards and non-equity incentive plan compensation**

The following table sets out the outstanding share options held by the directors as at December 31, 2014:

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 share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Kent Britton	250,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.08	July 2, 2019	Nil	Nil	Nil
Luard Manning	250,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.08	July 2, 2019	Nil	Nil	Nil
John O'Donnell	550,000	\$0.065	May 29, 2019	Nil	Nil	Nil
Paul Teodorovici	450,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.08	July 2, 2019	Nil	Nil	Nil
Clifford Wiebe	250,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.065	May 29, 2019	Nil	Nil	Nil
John Wozny	250,000	\$0.10	May 1, 2017	Nil	Nil	Nil
	100,000	\$0.065	May 29, 2019	Nil	Nil	Nil

Note;

(1) The closing market price of the Corporation's common shares on the CNSX on December 31, 2014 was \$0.04.

**Director Incentive plan awards – value vested or earned during the year**

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 (\$)
Kent Britton	Nil	Nil	Nil
Luard Manning	Nil	Nil	Nil
John O'Donnell	Nil	Nil	Nil
Paul Teodorovici	Nil	Nil	Nil
Clifford Wiebe	Nil	Nil	Nil
John Wozny	Nil	Nil	Nil

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

**Equity Compensation Plan Information**

The following table provides information regarding the number of securities authorized for issuance under the Corporation's stock option plan, as at the end of the Corporation's most recently completed financial year ended December 31, 2014.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	4,500,000	\$0.0865	271,477
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	4,500,000		271,477

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

No current or former executive officer, director or employee of the Corporation or any of its subsidiaries, or any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such executive officer, director or proposed nominee, is or has been indebted to the Corporation or any of its subsidiaries, or to any other entity that was provided a guarantee or similar arrangement by the Corporation or any of its subsidiaries in connection with the indebtedness, at any time since the beginning of the most recently completed financial year of the Corporation.

### **POTENTIAL CONFLICTS OF INTEREST**

Some of the directors and officers of the Corporation also serve as directors and officers of other companies. Consequently, there exists a possibility for any such director or officer to be placed in a position of conflict. Each such director or officer is subject to fiduciary duties and obligations to act honestly and in good faith with a view to the best interests of the Corporation.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth in this Information Circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote for the appointment of Collins Barrow Toronto LLP, Chartered Accountants, of Collins Barrow Place, 11 King Street West, Suite 700, Box 27, Toronto, Ontario M5H 4C7, as auditors of the Corporation to hold office for the fiscal year ending December 31, 2015 at a remuneration to be fixed by the directors.

### **MANAGEMENT CONTRACTS**

Management functions of the Corporation or any subsidiary of the Corporation are not, to any substantial degree, performed by a person other than the directors or senior officers of the Corporation or its subsidiaries.

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

No director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of such 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, except for any interest arising from the ownership of shares of the

Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Corporation.

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

There are no matters to be acted upon at the Meeting other than ordinary business.

### **AUDIT COMMITTEE**

#### **Relationship with Auditors**

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Corporation, as a Venture Issuer, to disclose annually in its information circular certain information relating to the Corporation’s Audit Committee and its relationship with the Corporation’s independent auditors.

#### **Audit Committee Charter**

The Audit Committee Charter is annexed hereto as Schedule “A”.

#### **Composition of the Audit Committee**

The Corporation’s Audit Committee is comprised of three (3) directors. The current members of the audit committee of the Corporation are Kent Britton, Clifford Wiebe and John Wozny. As defined in NI 52-110, all the audit committee members are “financially literate”. They have the industry experience necessary to understand and analyze financial statements of the level of complexity of the Corporation, as well as the understanding of internal controls and procedures necessary for financial reporting. Mr. Britton, Mr. Wiebe and Mr. Wozny are independent.

#### **Relevant Education and Experience**

##### *Kent Britton*

Mr. Britton has a B.A. Economics and has passed Level 2 of the Chartered Financial Analysts (CFA) Program. From November 2007 to November 2009, Mr. Britton served as Chief Operating Officer, Asia for Walton International Group, and was responsible for operations with US \$180+ million in sales, 30,000 clients, 1,100 staff and 6 offices spanning 4 countries. Prior to becoming COO, Asia, Mr. Britton served as Chief Administrative Officer and Senior VP Operations. Mr. Britton also has extensive experience as an investor relations professional. Prior to working with the company above, Mr. Britton spent ten years working for Canadian listed companies, investor relations firms, and was a partner in his own investor relations firm.

##### *Clifford Wiebe*

Mr. Wiebe has diplomas in Business Administration and Computer Analyst Programmer. Mr. Wiebe has been in the information technology industry for over 28 years, including 17 with IBM Canada. His role as Business Consultant takes him across the country identifying problem trends and pitfalls and putting corrective plans in place with an emphasis on profitability and customer satisfaction.

##### *John Wozny*

John R. Wozny, MA brings a diverse academic background to the board. Mr. Wozny is a professional psychologist currently conducting research at the University of Lethbridge, AB. Mr. Wozny has previously served as a director of public mining companies.

#### **Audit Committee Oversight**

Since the commencement of the Corporation’s most recently completed fiscal year, the Corporation’s board of directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

## Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed fiscal year and the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in section 2.4 or section 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditors, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total amount of fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

## Pre-Approved Policies and Procedures

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

## Exemption

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 that provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## External Auditor Service Fees including GST (by category)

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

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2014	\$20,600	\$7,450	Nil	\$400
December 31, 2013	\$20,600	\$7,120	Nil	Nil

Notes:

- (1) Fees paid for services provided in auditing the Corporation's annual financial statements. The audit fee for 2015 has not yet been proposed by the auditors of the Corporation and is subject to review and approval by the audit committee.
- (2) Fees not included in "audit fees" that are billed by the auditors for the assurance and related services that are reasonably related to the performance of the audit, review or quarterly read of the Corporation's statements.
- (3) Fees billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Fees billed by the auditors for products and services not included in the foregoing categories including IFRS conversion fees.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICE

The Ontario Securities Commission has issued guidelines on corporate guidance disclosure for Venture Issuers as set out in Form 58-101F2 (the "Disclosure"). The Disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Corporation's approach to corporate governance in the context of the eight (8) specific Disclosure issues outlined in Form 58-101F2 is set out in the attached Schedule "B".

Similar duties and obligations will apply to such other companies. Thus, any future transaction between the Corporation and such other companies will be for bona fide business purposes and approved by a majority of disinterested directors of the Corporation.

## **APPROVAL OF BOARD OF DIRECTORS**

The contents of the Circular and the mailing of it to holders of Common Shares of the Corporation, to each director of the Corporation, to the auditors of the Corporation, and to the appropriate governmental agencies, have been approved by the directors of the Corporation.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation, including documents incorporated by reference, is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's accompanying comparative financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2014.

Copies of the Corporation's financial statements and MD&A may also be obtained from the Corporation by making a request in writing to the Corporation at 380 Wellington Street, Tower B, 6<sup>th</sup> Floor, London, Ontario N6A 5B5, fax (519) 964-2701 Attention: Edward Ellwood, Chief Executive Officer.

The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

**DATED** at London, Ontario this 29th day of May, 2015.

## **BY ORDER OF THE BOARD**

(Signed) "Edward Ellwood"

Edward Ellwood, President and CEO



**Schedule “A”**  
**AUDIT COMMITTEE CHARTER**  
**(the “Charter”)**

**Mandate**

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

1. serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control systems and review the Corporation’s financial statements;
2. review and appraise the performance of the Corporation’s external auditors; and
3. provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the board of directors.

**Composition**

The audit committee shall be comprised of at least three directors as determined by the board of directors, the majority of whom shall meet the legal requirements applicable to the composition of the audit committee. At least one member of the audit committee shall have accounting or related financial management expertise. All members of the audit committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation’s financial statements. The members of the audit committee shall be elected annually by the board of directors at its first meeting following the annual shareholders’ meeting.

**Meetings**

The audit committee shall meet with the frequency that the audit committee determines appropriate.

**Responsibilities and Duties**

To fulfil its responsibilities and duties, the audit committee shall:

*Documents/Reports Review*

1. Review and, if necessary, update the Charter annually.
2. Review the Corporation’s financial statements, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, or review rendered by the external auditors.
3. Confirm 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.

### *External Auditors*

1. Review annually, the performance of the external auditors who shall be ultimately accountable to the board of directors and the audit committee as representatives of the shareholders of the Corporation.
2. Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1 or succeeding policy.
3. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
4. Take, or recommend that the full board of directors take, appropriate action to oversee the independence of the external auditors.
5. Recommend to the board of directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
6. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
7. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
8. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
  - (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
  - (c) such services are promptly brought to the attention of the audit committee by the Corporation and approved prior to the completion of the audit by the audit committee or by one or more members of the audit committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the audit committee. Provided the pre-approval of the non-audit services is presented to the audit committee's first scheduled meeting following such approval, such authority may be delegated by the audit committee to one or more independent members of the audit committee.

### **Financial Reporting Processes**

1. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
2. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
3. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
4. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
5. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

6. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
7. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
8. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

## Schedule “B”

### Statement of Corporate Governance Disclosure

The following description of the governance practices of the Corporation is provided in accordance with the guidelines of Multilateral Instrument 58-101, as set out in Form 58-101F2 (the “Form 58-101F2 Guidelines”). The Form 58-101F2 Guidelines address matters relating to constitution and independence of directors, the functions to be performed by the directors of a company and their committees and effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The directors of the Corporation will continue to monitor the developments and the various changes to the proposed corporate governance guidelines and best practices and where applicable will amend its corporate governance guidelines accordingly.

### Form 58-101F2 Guideline

#### 1. Board of Directors

Disclose how the board of directors facilitates its exercise of independent supervision over management, including (a) the identity of directors that are independent, and (b) the identity of directors who are not independent, and the basis for that determination.

**Response of the Corporation:** The board of directors currently consists of eight directors, of whom Kent Britton, Luard Manning, John F. O’Donnell, Clifford A. Wiebe and John Wozny are independent. None of the unrelated directors has any direct or indirect material relationship with the Corporation (other than shareholdings) which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a director’s independent judgment. Messrs. Ellwood, Plexman and Teodorovici are not independent. Edward Ellwood is the CEO of the Corporation, Eric Plexman is the CFO and Secretary of the Corporation and Paul Teodorovici is Executive Vice-President of the Corporation and are, therefore, not independent directors.

#### 2. Directorships

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

#### Response of the Corporation:

Kent Britton serves as a director for the following additional issuer: Vela Minerals Ltd.

Luard Manning serves as a director for the following additional issuer: Highbank Resources Ltd.

John F. O’Donnell serves as a director for the following additional issuers: POET Technologies Inc.

#### 3. Orientation and Continuing Education

Describe what steps, if any, the board of directors takes to orient new board members, and describe any measures the board of directors takes to provide continuing education for directors.

**Response of the Corporation:** Orientation and education of new members of the board of directors is conducted informally by management and members of the board of directors. The orientation provides background information on the Corporation’s history, performance and strategic plans.

#### 4. Ethical Business Conduct

Describe what steps, if any, the board of directors takes to encourage and promote a culture of ethical business conduct.

**Response of the Corporation:** The board of directors has appointed a Corporate Governance Committee and adopted a Corporate Governance Charter. The requirements of the audit committee charter and the ability of the members of the board of directors to reference outside professional advisors also facilitate the Corporation meeting ethical business standards.

## 5. Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for the board of directors nomination, including: (a) who identifies new candidates; and (b) the process of identifying new candidates.

**Response of the Corporation:** Given the size of the board of directors and nature of development of the Corporation's business, the board of directors has not appointed a nomination committee or put in place formal procedures for the identification of new board of directors member candidates.

## 6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including: (a) who determines compensation; and (b) the process of determining compensation.

**Response of the Corporation:** The board of directors as a whole determines the stock option grants for each director. The independent members of the board of directors review on an ongoing basis, the compensation of the senior officers to ensure that it is competitive. A Compensation Committee of the board has been formed to assist the board determine compensation.

## 7. Other Board Committees

If the board of directors has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

**Response of the Corporation:** In addition to its audit committee and compensation committee, the board has established the following standing committees:

- a) Corporate Governance & Disclosure Policy Committees to: develop and recommend to the Board appropriate corporate governance principles for the Corporation; recommend to the Board procedures for the conduct of Board meetings and the proper discharge of the Board's mandate; oversee the annual review of the Board, its committees' and individual directors' performance and the assessment of the Board and committees charters, and; undertake such other initiatives that may be necessary or desirable to enable the Board to provide effective corporate governance as well as aid in the timely, orderly, consistent, fair and credible dissemination of information, in keeping with legal and regulatory requirements.
- b) Health, Safety & Environmental Committee to: assist the Board in obtaining assurance that appropriate systems are in place to deal with the management of safety, health and environmental risks.

## 8. Assessments

Disclose what steps, if any, that the board of directors takes to satisfy itself that the board of directors, its committees, and its individual directors are performing effectively.

**Response of the Corporation:** The board of directors has formed a Corporate Governance Committee to supervise and monitor the performance of the board and individual directors.