
Z-GOLD EXPLORATION INC.

MANAGEMENT INFORMATION CIRCULAR ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 19, 2013

A. PROXY SOLICITATION INFORMATION

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation by the management of **Z-Gold Exploration Inc.** (the «**Corporation**») of proxies to be used at the Annual and Special Meeting of shareholders of the Corporation (the «**Meeting**») to be held at the time, place and for the purposes set forth in the enclosed Notice of Meeting (the «**Notice**») and any adjournment thereof. Proxies may be solicited by mail, telephone, email or other personal contact by directors or officers of the Corporation. The cost of such solicitation will be borne by the Corporation.

Appointment of Proxies

The persons named in the accompanied proxy form are directors of the Corporation. A shareholder has the right to appoint a proxy (who does not need to be a shareholder of the Corporation) other than the persons designated in the accompanied proxy form. To exercise this right, a shareholder should strike out the names printed on the proxy form and insert the name of the proxy of his or her own choice in the space provided for this purpose on the proxy form.

Proxies must be delivered to Computershare, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by facsimile transmission to number 1-866-249-7775, in each case no later than August 24, 2012, 5h00, or filed with the Chairman of the Meeting, on the day of the Meeting but prior to the Meeting, or any adjournment thereof.

A Non-Registered Shareholder who wishes to appoint another person to represent him at the Meeting shall carefully follow the instructions of its intermediary, including those regarding when and where to send the voting instruction form or proxy is to be delivered with directions concerning the appointment of another person to represent him at the Meeting.

Right of Revocation of Proxies

A registered shareholder giving a proxy may revoke the proxy by instrument in writing executed by the shareholder or its agent duly authorized in writing or, if the shareholder is a corporation, by an officer duly authorized in writing, and deposited either (i) at the head office of the Corporation, the last business day before the Meeting or the date of resumption in case of adjournment, or (ii) at the office of the registrar and transfer agent of the Corporation, Computershare, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at the latest on December 17, 2013 or the last business day preceding the date of resumption if the Meeting is adjourned, or (iii) hand over to the Chairman of the Meeting before the Meeting or any adjournment thereof.

Only registered shareholders may revoke a proxy in the manner described above. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.

Discretionary Power Conferred by Proxies

The common shares represented by the enclosed proxy form will be voted or withheld from voting in accordance with the instructions of the shareholder indicated on the proxy form. In the absence of any specific instructions, the common shares represented by proxies received by management will be voted “**FOR**” fixing the number of directors at six; “**FOR**” the election of the persons nominated for election as directors, as indicated under “**Election of Directors**”; “**FOR**” the appointment of the Auditors and the authorization to the Board of Directors to fix their remuneration; “**FOR**” the approval of a resolution approving, ratifying and confirming the By-Laws No. 2013-1 of the Corporation; “**FOR**” the approval of a special resolution authorizing the name change of the Corporation and “**FOR**” the continuation of the Corporation’s stock option plan.

The enclosed proxy form confers discretionary authority upon the persons named therein with respect to amendment or variation to matters identified in the Notice of Meeting, and with respect to any other matter which may properly come before the Meeting. At the date of this management information circular, the directors of the Corporation are not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, the persons named in the enclosed proxy form will vote on such other business in accordance with their judgment.

Exercise of Voting Rights by Non-Registered Shareholders

If you are a Non-Registered Shareholder (that is, if your shares are registered in the name of an intermediary such as a securities broker, clearing agency, financial institution, trustee or custodian), **you should carefully follow the instructions on the request for voting instructions or proxy form that you receive from the intermediary, in order to vote the shares of the Corporation that you hold with that intermediary.**

The Non-Registered Shareholder, who wishes to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), should insert his own name (or such other person’s name) in the blank space provided in the request for voting instructions or proxy form to appoint himself (or such other person) as proxy holder and then follow his intermediary’s instructions for returning the request for voting instructions or proxy form.

Interest of Certain Persons in Matters to be Acted Upon

At the date of this management information circular, to the best of its knowledge, the management of the Corporation is not aware of any person who may have an interest in any matter to be acted upon whether such interest is by way of beneficial ownership of securities or otherwise, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation, with the exception that directors and officers have been or might be granted options pursuant to the stock option plan of the Corporation.

Voting Shares and Principal Holders Thereof

As at November 18, 2013, 19,885,402 common shares of the Corporation were issued and outstanding. Each common share entitles the holder thereof on record as of November 18, 2013 (the “record date”), to one vote.

To the knowledge of the management of the Corporation, as at the date hereof, no person beneficially own, directly or indirectly, or exercises control or direction, over more than 10 % of the issued and outstanding common shares of the Corporation, except CDS & CO, holding 18,410,402 common shares (92,58%).

Advice to Beneficial Holders of Shares

The information set forth in this section should be reviewed carefully by the non-registered shareholders of the Corporation. Shareholders who do not hold their common shares in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If the common shares are not registered in the shareholder’s own name, they are held in the name of a “nominee”, usually a bank, trust company, securities dealer or broker or other financial institution. Applicable securities laws and regulations require nominees of Beneficial Shareholders to seek their voting instructions in advance of the Meeting. Therefore, unless a Beneficial

Shareholder has previously informed its nominee that he or she does not wish to receive material relating to shareholders' meetings, he or she will receive this Circular in a mailing from its nominee, together with a form of proxy or voting instruction form. Each nominee has its own signature and return instructions. It is important that the Beneficial Shareholder comply with these instructions if he or she wants the voting rights attached to her or his shares to be exercised. If the Beneficial Shareholder which has submitted a proxy wishes to change his voting instructions, the Beneficial Shareholder should contact his nominee to find out whether this is possible and what procedure to follow.

Neither the Corporation nor its registrar and transfer agent have a record of the names of the Beneficial Shareholders of the Corporation. If a Beneficial Shareholder attends the Meeting, neither the Corporation nor the registrar and transfer agent will have knowledge of the Beneficial Shareholder's shareholdings or its entitlement to vote, unless the nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, if you are a Beneficial Shareholder and wish to vote in person at the Meeting, you must insert your name in the space provided on the form of proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing the nominee to appoint you as proxyholder. It is important that the signature and return instructions provided by the nominee are complied with. It is not necessary to otherwise complete the form as you will be voting at the Meeting.

All references to shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered shareholders, unless specifically stated otherwise.

B. MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31, 2012 and the Report of the Auditors thereon, will be placed before the Meeting but will not be subject to a vote. These financial statements are filed on SEDAR at www.sedar.com. Additional copies of the financial statements may be obtained from the Corporation on request.

Fix Number of Directors to Be Elected at Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution. At the Meeting, it will be proposed that six (6) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, the persons named in the form of proxy intend to vote "FOR" the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).**

Election of Directors

Directors serve one year term with the full board being elected at each annual meeting. **The persons named in the enclosed proxy form intend to vote FOR the election of the nominees whose names are listed below, unless the shareholder has specified on his or her proxy form that his or her shares are to be withheld from voting in regard to the election of directors.** Management does not anticipate that any of the nominees for election as directors will, for any reason, become unable or unwilling to serve as a director. If that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy form reserve the right to vote for another nominee of their choice.

Management proposes that the following nominees be elected as directors of the Corporation. The information on nominees has been furnished by respective nominees individually. The nominees indicated below have been elected as directors at a previous annual meeting for which an information circular including the complete description of their occupation was sent to shareholders, except for Messieurs Christian Dupont, Geoffrey and Mario Colantonio.

Mr. Dupont is a mining engineer and has a B.Eng. Degree from Nova Scotia Technical College, Halifax, Nova Scotia. Mr. Dupont has been active in the mining industry since the early 1970's. He has been senior mining engineer for Noranda Mines and Chief Engineer for Exall Resources Inc. Mr. Dupont was also president and

director of Kayorum Gold Mines Ltd., from 1992 to 1997 and vice-president of the same company in 1998. Between 1997 and 1998, he was also a director of Fieldex Exploration Inc. From 1997 to 2001, he was responsible of project management for Luzenac Inc., and from 2001 to 2006 he was vice-president and director of TOM Exploration Inc. From December 2009 to October 2013, Mr. Dupont was a director of Abcourt Mines Inc., a junior exploration company listed on TSX Venture Exchange. Since October 2005, Mr. Dupont has also been President and Chief Executive Officer of Explor Resources Inc., a junior exploration company listed on TSX Venture Exchange.

Mr. Carter is a mining engineer and has a B.Sc. degree in mining engineering from the University College Cardiff, University of Wales, Cardiff, Britain. He has been active in the mining industry since the late 1960's and involved with public companies for more than 30 years. He has held positions at Anglo American, Hudson Bay Mining & Smelting, and was Vice-President at Inspiration Coal. He has also been a director and president of Orominas Minerals, director of Bankers Petroleum and Trans Atlantic Enterprises. Since 1990, Mr. Carter has been involved in independent research, due diligence reports, NI 43-101 reports and valuations, as well as general corporate advisory for the mining industry. Since January 2008, Mr. Carter has been a director of Explor Resources Inc., a junior exploration company listed on the TSX Venture.

Mr. Colantonio is a professional engineer and has been active in the mining industry since the mid 1980's. He received a B.S.C. Degree in civil engineering from Queen's University, Kingston, Ontario in 1985. His primary focus has been the engineering and management for capital and maintenance projects for mine/mill infrastructures including feasibility studies. He has held senior engineering management positions for AMEC and is presently president of a privately owned engineering consulting firm. Since May 2009, Mr. Colantonio has been a director of Explor Resources Inc., a junior exploration company listed on the TSX Venture.

NAME, MUNICIPALITY OF RESIDENCE AND OFFICE HELD WITH THE CORPORATION	PRINCIPAL OCCUPATION	DATE OF ELECTION TO THE BOARD OF DIRECTORS	NUMBER OF COMMON SHARES ON WHICH CONTROL WAS EXERCISED AS AT NOVEMBER 18, 2013 ⁽²⁾
Rodrigue Tremblay ⁽¹⁾ Rouyn-Noranda, Québec, CEO and Director	President and CEO of Z-Gold Exploration Inc.	March 2010	1,119,002 ⁽³⁾
Jacques Frigon Amos, Québec, CFO and Director	Lawyer	March 2010	0
Laurent Hallé ⁽¹⁾ Fabre, Québec, Director	Geologist, Self-employed consultant	March 2010	25,000
Christian Dupont Janeville (New Brunswick) Director Nominee	Mining Engineer, President and CEO of Explor Resources Inc.	-	1,910,333
Geoffrey Carter Toronto (Ontario) Director Nominee	Mining Engineer	-	0
Mario Colantonio Porcupine (Ontario) Director Nominee	Civil Engineer	-	0

(1) Member of the Audit Committee.

(2) On a non-diluted basis.

(3) 1,000,002 of the common shares are held directly by 9116-6801 Québec inc., a company controlled by Mr. Rodrigue Tremblay.

Penalties, Sanctions, Cease Trade Orders or Bankruptcies: Except as disclosed hereunder, no proposed director is as at the date hereof, or has been within the last ten years of the date hereof, a director or executive officer of any Corporation (including the Corporation) that, while he was acting in such capacity: (i) was the subject of a cease trade or similar order, or an order that denied the relevant Corporation 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 officer ceased to be a director or officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant Corporation 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; (iv) was subject to 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 (v) was subject to any other penalties or sanctions imposed by a court or regulatory body. No proposed director has, within ten years before the date hereof, 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. Rodrigue Tremblay and Christian Dupont have been directors of Treegenic Gold Corporation until January 2010. The Autorité des marchés financiers du Québec issued a cease trading order on the shares of this reporting issuer on September 28, 2004 in reason of the default of filing the financial statements required under the Securities Act (Quebec), which was revoked in March 2013. Rodrigue Tremblay has been a director of Lounor Exploration Inc. since September 2005 and Laurent Hallé since December 2012. The Autorité des marchés financiers du Québec issued a cease trading order on the shares of this reporting issuer on October 4, 2013 in reason of the default of filing the financial statements required under the Securities Act (Quebec). Lounor Exploration Inc. has filed a proposal under the *Bankruptcy and Insolvency Act* on July 22, 2013, amended on August 16, 2013 and November 4, 2013. Rodrigue Tremblay made a voluntary assignment in bankruptcy in March 2004 for which an absolute order of discharge was issued in August 2005.

Appointment of Auditors

Dallaire & Lapointe Inc., Chartered Accountants of Rouyn-Noranda, Quebec, have been the auditors of the Corporation since its financial year ended December 31, 2009. **The persons named in the enclosed proxy form intend to vote FOR the appointment of Dallaire & Lapointe Inc., Chartered Accountants, as auditors of the Corporation and the authorization to the Board of Directors to fix their remuneration unless the shareholder specifies that his or her proxy form be withheld from voting thereon.**

Approval and Ratification of the By-Law No. 2013-1 of the Corporation

At the Meeting, shareholders will be asked to consider and pass a resolution to approve, confirm and ratify the Corporation's Advance Notice By-Law adopted by the Board on November 15, 2013 (the "**By-Law No. 2013-1**"), the text of which is attached as "Schedule A" to this Circular. The By-Law No. 2013-1 came into effect on November 15, 2013 and if not confirmed at the Meeting by ordinary resolution of shareholders, it will terminate and be of no further force and effect following the Meeting.

The By-Law No 2013-1 includes, among other things, a provision that requires advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation other than pursuant to: (i) a "proposal" made in accordance with section 136(1) of the *Business Corporations Act* (Alberta) (the "**Act**"); or (ii) or a requisition of the shareholders made in accordance with section 142(1) of the Act.

Among other things, the By-Law No. 2013-1 fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the President and CEO or the Secretary of the Corporation prior to any annual or special meeting of shareholders and sets forth the specific information that a shareholder must include in the written notice to the President and CEO or the Secretary of the Corporation for an effective nomination to occur. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the By-Law No. 2013-1.

In the case of an annual general meeting of shareholders, notice to the President and CEO or the Secretary of the Corporation must be made not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that, is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the nominating shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date.

In the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), notice to the President and CEO or the Secretary of the Corporation must be made not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Consequently, shareholders will be asked to adopt the following resolution:

“BE IT RESOLVED i) to approve, confirm and ratify the By-Law No. 2013-1, the text of which is attached as Schedule “A” to the Circular; and ii) to authorize any one director or officer of the Corporation to do such acts and things and to execute and deliver all such documents and instruments as may be necessary or desirable to give effect to the foregoing resolution.

The persons named in the enclosed proxy form intend to vote FOR the resolution approving, confirming and ratifying the By-Law No. 2013-1 unless the shareholder specifies that his or her proxy form shall be voted against the resolution.

Name Change

The Board proposes to change the name of the Corporation to **“Brunswick Resources Inc.”** or such other similar name as the Board, in its sole discretion, deems appropriate (the **“Name Change”**).

Resolutions and Vote Required

The text of the special resolution, which will be submitted to shareholders at the meeting, is set forth below. The special resolution must be approved by no less than two-thirds (66 ⅔%) of the votes cast by the holders of common shares present in person or represented by proxy at the Meeting to be effective. The special resolution provides that the Board may revoke the special resolution before the issuance of the certificate of amendment by the Director under the *Alberta Business Corporation Act* without the approval of the shareholders.

The shareholders of the Corporation are therefore asked to consider, and, if thought appropriate, to approve the following resolution:

“BE IT RESOLVED’ as a special resolution, that:

1. The Corporation is hereby authorized to amend its restated Articles of Incorporation to provide that:
 - (a) The name of the Corporation be changed to **“BRUNSWICK RESOURCES INC.”** or such other name as the Board, in its sole discretion, may resolve, the Director appointed under the Alberta Business Corporations Act may permit or the TSX Venture Exchange may approve;
 - (b) Any director or officer be and is hereby authorized to send to the Director appointed under the Alberta Corporations Business Act, Articles of Amendment of the Corporation in the prescribed form, and any one or more directors are hereby authorized to prepare, execute and file Articles of Amendment in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this special resolution;
 - (c) Notwithstanding the approval of the shareholders of the Corporation as herein provided, the directors of the Corporation, may, in the sole discretion, revoke or abandon the Name Change and any or all of the actions authorized by the special resolution before it is acted upon without further approval of the shareholders of the Corporation.”

The Board believes that the proposed Name Change is in the best interests of the Corporation and its shareholders and, accordingly, recommends that shareholders vote FOR the special resolution. The persons named in the enclosed proxy form intend to vote FOR the Special Resolution unless the shareholder specifies that his or her proxy form shall be voted against the resolution.

Stock Option Plan of the Corporation

Shareholders will be asked to approve the continuation of the Corporation's Stock Option Plan pursuant to which 10% of the Corporation's issued and outstanding shares are set aside and reserved for stock options on a rolling basis. The Stock Option Plan of the Corporation was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on February 26, 2010.

Other Business

The management of the Corporation is not aware of any other matters to come before the Meeting, other than those set out in the Notice of the Meeting or in this Circular. If other matters come before the Meeting, it is the intention of the person's name in the accompanied form of Proxy to vote the same in accordance with their best judgment.

C. STATEMENT OF EXECUTIVE COMPENSATION

The following section provides information on the compensation paid or payable to the President, Chief Executive Officer and Chief Financial Officer, being the Corporation's "Named Executive Officers" ("NEO") as this term is defined in *Form 51-102F6 Statement of Executive Compensation under National Instrument 51-102 respecting continuous disclosure obligations*. For the years ended December 31, 2010, 2011, and 2012, the Corporation had two Named Executive Officers, being Rodrigue Tremblay, President and CEO and Jacques Frigon, CFO.

The Board of directors of the Corporation (the "Board") has no compensation committee. Considering its actual small size, the Board assumes the responsibility to establish the objectives of the Corporation's executive compensation program which are to attract, motivate, engage and retain qualified, high performance individuals and to meet performance objectives designed to increase shareholder returns. The Board: (i) establishes the objectives that will govern the Corporation's compensation program for the NEOs and the directors; (ii) oversees and approves the compensation and benefits to the NEOs; (iii) oversees the Corporation's stock option plan; and (iv) promotes the clear and complete disclosure to shareholders of material information regarding executive compensation.

Compensation Process and Objectives

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for the NEOs. The Board reviews the NEOs compensation on an annual basis and, in doing such task, it evaluates the NEOs achievements during the preceding year. The Corporation has not retained any third party advisors to conduct compensation reviews of its competitors' pay levels and practices.

The Corporation is an exploratory stage mining company and is not generating, nor expecting to generate revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Board to be appropriate in the evaluation of corporate of NEOs performance. The compensation of the senior officers is based, in substantial part, on industry compensation practices, trends in the mining industry as well as achievement of the Corporation's business plans. An important element of the compensation is the grant of stock options, which does not require cash disbursement from the Corporation.

Currently, the compensation arrangements for the Corporation's NEOs are composed of two components: (i) the payment of an amount in cash to the CEO as consulting fees; and (ii) the grant of stock options. A competitive remuneration is aimed to attract and retain skilled persons necessary to achieve corporate objectives. The grant of stock options is aimed to motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.

The Corporation does not offer benefit programs, such as life insurance and health and dental benefits. Where NEOs receive other perquisites (such as car allowances or company vehicles), they reflect competitive practices, business needs and objectives.

Consulting Fees

The cash amount paid to the CEO on a consulting fee basis is reviewed annually by the Board to ensure it reflects a balance of market conditions, the level of responsibilities, the skill and competencies of the individual, retention considerations as well as the level of demonstrated performance. The basic hourly rate payable for professional services payable to the CEO is set by the Board on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution of the President and CEO to the Corporation's long-term growth and the Board members' knowledge of remuneration practices in Canada.

Stock Options

The Corporation has implemented a stock option plan (see "**Securities Authorized for Issuance under Equity Compensation Plans**") elsewhere in this Information Circular) to provide its officers, including NEOs, directors, employees and consultants with a long-term incentive for performance and commitment to the Corporation.

The Corporation believes that participation by the NEOs and directors in the stock option plan aligns their interests with those of the Corporation's shareholders, as the NEOs and directors are rewarded for the Corporation's performance as evidenced by share price appreciation. In determining the number of options to be granted, the number and term of options previously granted, individual and team responsibilities and functions, position, individual performance and projected contribution are considered. Management proposes the number of options and names of the optionees and the Board reviews and approves the grant and sets the exercise price (based on the current market price of the Corporation's shares on the TSX Venture Exchange Inc.) and the expiry date.

Summary Compensation Table

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, in Canadian dollars, to the Corporation's NEOs for the fiscal years ended December 31, 2010, 2011 and 2012.

Name and Principal Position	Year ended	Salary	Option-based awards ⁽²⁾	All other compensation	Total compensation
	December 31	(\$)	(\$)	(\$)	(\$)
Rodrigue Tremblay President and CEO	2012	60,000	10,500	Nil	70,500
	2011	60,000	Nil	Nil	60 000
	2010	50,000 ⁽¹⁾	38,850	Nil	88,850
Jacques Frigon CFO	2012	Nil	1,500	Nil	1,500
	2011	Nil	Nil	Nil	Nil
	2010	Nil	5,550*	Nil	5,550

*Columns (d) (f) and (g) of the Form 51-102A6 are not relevant and have been excluded

Notes:

- (1) This amount represents the aggregate amounts paid to a private company held by the President and CEO as management consultant fees for a period of ten months.
- (2) Option-based award amounts are fair value estimates of options granted during the year, calculated at the date of the grant, using the Black-Scholes pricing model. The fair value was \$0.11 per option in 2010. There were no stock options granted in 2011. The fair value was \$0.015 per option in 2012.

Incentive Plan Awards

The following table sets forth, for each NEO, all option-based awards outstanding as at December 31, 2012. There are no share-based awards for any director or officer of the Corporation.

Name	Option-based Awards			
	Number of securities underlying unexercised options ⁽³⁾ (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Rodrigue Tremblay, CEO	700,000	0.10	2015-09-17	0
Jacques Frigon, CFO	100,000	0.10	2015-09-17	0

Notes:

(1) The value of unexercised in-the-money options is calculated using the closing market price of the Corporation's common shares on the TSXV on December 31, 2012, which was \$0.04, less the respective exercise prices of the options.

The following table shows the Option-Based Awards value vested for each NEO for the year ended December 31, 2012.

Name	Option-Based Awards - Value Vested During the Year ⁽¹⁾ (\$)
Rodrigue Tremblay	0
Jacques Frigon	0

(1) The dollar amount is the aggregate value that would have been realized if the options granted during the year ended December 31, 2012 under the options-based awards had been exercised on the vesting date, that is, the difference between the closing market price of the common shares of the Corporation on the TSX-Venture Exchange as at September 17, 2012 (\$0.04), and the exercise price (\$0.10).

Pension and Retirement Plans

The Corporation does not have any pension plan that provides for payments or benefits at, following, or in connection with retirement of any officer.

Termination and Change of Control Benefits

There are no contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the NEO's responsibilities.

Directors' Compensation

During the year ended December 31, 2012, the Corporation did not pay any cash remuneration to its directors for their services in such capacity.

The following table indicates all awards to the Corporation's directors, except the NEOs, outstanding as at December 31, 2012. There are no share-based awards for any director or officer of the Corporation.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
Laurent Hallé	100,000	0.10	2015-09-17	0
Jean Roy ⁽²⁾	100,000	0.10	2015-09-17	0

(1) The value of unexercised in-the-money options is calculated using the closing price of the common shares of the Corporation on the TSX Venture Exchange on December 31, 2012 (\$0.04), less the respective exercise prices of the options.

(2) Mr. Jean Roy has resigned from the Board of Directors on April 30, 2013. His options have expired as of August 30, 2013.

The following table shows the Option-Based Awards value vested for each director, except the NEOs, during the year ended December 31, 2012.

Name	Option-Based Awards - Value Vested During the Year (\$) (1)
Laurent Hallé	0
Jean Roy (2)	0

- (1) The dollar amount is the aggregate value that would have been realized if the options granted during the year ended December 31, 2012 under the options-based awards had been exercised on the vesting date, that is, the difference between the closing market price of the common shares of the Corporation on the TSX-Venture Exchange as at September 17, 2012 (\$0.04), and the exercise price (\$0.10).
- (2) Mr. Jean Roy has resigned from the Board of Directors on April 30, 2013. His options have expired as of August 30, 2013.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at December 31, 2012, which is the end of the Corporation's most recently completed financial year.

Plan Category	Number of Securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column ⁽¹⁾)
Equity compensation plans approved by securityholders	1,400,000	\$0.10	588,540
Equity compensation plans not approved by securityholders	N/A	N/A	N/A

Pursuant to its current stock option plan approved by the shareholders at the annual and special meeting held on February 26, 2010 (the "**Stock Option Plan**"), the Corporation may, from time to time, grant to eligible directors, officers, employees and consultants of the Corporation or of a management company employee, options to acquire common shares of the Corporation in such number, at such exercise prices, and for such terms as may be determined by the Board, subject to a limit of 10% of the total issued and outstanding Common Shares, from time to time. As of December 31, 2012, the Corporation had options to acquire 1,400,000 Common Shares, representing less than the 10% outstanding Common Shares.

The maximum number of common shares which may be reserved for issuance to any one person pursuant to stock options during a twelve-month period may not exceed 5% of the common shares outstanding at the time of grant (on a non-diluted basis). No more than 2 % of the issued shares of the Corporation may be granted to any one consultant in any 12 month period. No more than 2 % of the issued shares of the Corporation may be granted to a person conducting investor relations activities in any 12 month period. The Board may determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise price shall not be less than the market price of the Common Shares on the TSX Venture Exchange, or such other exchange on which the Common Shares are listed, less the maximum discount permitted under the policies of the Exchange.

All options must be exercised no later than 10 years from the date of the grant and they are not transferable other than by will or by the laws of descent and distribution. If a participant to the Stock Option Plan ceases to act as such for any reasons except for cause, such participant shall have the right for a reasonable period (to be determined by the Board) following the date on which such person ceased to be a participant under the Stock Option Plan to exercise the options with respect to all options shares of such participant to the extent they were exercisable on the date of ceasing to be a participant. In the event of the death of a participant, his legal representatives shall have a period of one year from this death to exercise the rights of the deceased participant.

Indebtedness of Directors and Executive Officers

During the financial year ended December 31, 2012, and as at the date of this circular, none of the directors, executive officers, employees or previous directors, executive officers or employees of the Corporation was indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

Director's and Officer's Liability Insurance

The Corporation does not maintain directors' and officers' liability insurance coverage.

Interests of Management of the Corporation and Others in Material Transactions

To the knowledge of the executive officers of the Corporation, except what is disclosed elsewhere in this circular and in the annual financial statements of the Corporation for the financial year ended December 31, 2012, (refer to Note 9 "Related Party Transactions"), no insider or proposed director of the Corporation, nor any associate or affiliate of any informed person or proposed director, has or had, directly or indirectly, any material interest in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

D. AUDIT COMMITTEE INFORMATION

National Instrument 52-110 respecting Audit Committees ("NI- 52-110") requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

Audit Committee Mandate and Terms of Reference for Chair

The mandate and responsibilities of the audit committee of the Corporation (the "Audit Committee") is attached hereto as Schedule "A".

Composition and Relevant Education

The Audit Committee is presently composed of Rodrigue Tremblay, CEO, Jean Roy and Laurent Hallé. The Board of Directors has determined that Jean Roy and Laurent Hallé are independent members of the Audit Committee and Rodrigue Tremblay is a non-independent member due to his role as Chief Executive Officer of the Corporation. A director is "independent" if he has no direct or indirect material relationship with the issuer, that is, a relationship which could, in the view of the Board of Directors, reasonably be expected to interfere with the exercise of the member's independent judgment.

The Board of Directors has determined that each of the three members of the Audit Committee is "financially literate" within the meaning of NI-52-110, that is, each member 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 Corporation's financial statements.

Rodrigue Tremblay obtained a bachelor degree in administration in May 1972 from the University of Ottawa as well as a master's degree in management of corporations in June 1996 from the Université du Québec de Chicoutimi. He has been active in the business community for more than 30 years. Mr. Tremblay is Chief Financial Officer and a director of Lounor Exploration Inc., an exploration company.

Laurent Hallé has been a consulting geologist and project manager with Yorbeau Resources Inc., an exploration company, since January 2009 and he has served in the same capacity with Aurora Platinum Corp., Lake Shore Gold Corp., Superior Diamonds Inc. and Fieldex Exploration Inc. Mr. Hallé acted as President for X-Terra Resources Corporation Inc. from June 2007 to August 2008 and as director for Fieldex Exploration Inc. from March 2004 to June 2007, both being exploration companies. He received his bachelor degree in geology in May 1982 from the Université du Québec à Montréal (UQAM) and postgraduate studies at McGill University in 1982.

Jean Roy is an investor and businessman with a long standing interest in construction and for the mining industry in the famous Timmins mining camp. Mr. Roy has a degree in Architectural Technology from the Ryerson Polytechnical Institute of Toronto, Ontario and is President of JCML Resources Inc., a private junior exploration company and of Val-d'Or Royalties Inc., a holding company.

Audit Committee Oversight

At no any time since the commencement of the Corporation's financial years ended December 31, 2012, a recommendation of the Audit Committee to nominate or compensate an external auditor was not adopted by the Board of Directors of the Corporation.

Pre-Approval of Policies and Procedures

The Audit Committee shall review and pre-approve all non-audit services to be provided to the Corporation by its external auditors.

Reliance on Certain Exemptions

As a venture issuer, the Corporation is relying upon the exemption in section 6.1 of NI-52-110 in respect of the composition of its Audit Committee and in respect of some of its reporting obligations under this Instrument.

External Auditor Service Fees

		Years ended December 31,	
		2012	2011
a)	Audit Fees ⁽¹⁾	\$29,565	\$30,815
b)	Audit-related Fees ⁽²⁾	\$0	\$0
c)	Tax Fees ⁽³⁾	\$2,390	\$0
d)	All Other Fees ⁽⁴⁾	\$0	\$0

(1) Corresponds to the aggregate fees billed by the Corporation's external auditor for audit services provided to the Corporation.

(2) Corresponds to the aggregate fees billed by the Corporation's external auditor for assurance and related services provided to the Corporation that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under item « Audit Fees».

(3) Corresponds to the aggregate fees billed by the Corporation's external auditor for professional services provided to the Corporation regarding tax compliance, tax advice and tax planning.

(4) Corresponds to the aggregate fees billed by the Corporation's external auditor for products and services provided to the Corporation other than the services reported under items « Audit Fees», « Audit-Related Fees » and « Tax Fees».

E. CORPORATE GOVERNANCE PRACTICES

The following table describes the Corporation's approach to corporate governance with reference to *National Instrument 58-101 respecting Disclosure of Corporate Governance Practices* ("NI-58-101") for venture issuers.

The Corporation believes that its practices are adequate and efficient for its organization as well as for its "junior" exploration Corporation status. The matters pertaining to the corporate governance practices are studied by the Board of Directors.

Composition of the Board	The Board of Directors (the "Board") consists of four members, of which two are independent directors as this term is defined in NI-58-101. Rodrigue Tremblay and Jacques Frigon are not considered independent due to their respective positions as President and CEO and CFO
Directorships	The only directors who are presently also directors of other reporting issuers are: <ul style="list-style-type: none"> - Rodrigue Tremblay, director of Lounor Exploration Inc.; - Jacques Frigon, director of Explor Resources Inc.; and - Laurent Hallé, director of Lounor Exploration Inc.

Orientation and Continuing Education	The Board does not currently have a formal orientation program for new directors. The Board briefs all new directors on the policies of the Board and other relevant corporate and business information.
Ethical Business Conduct	The Board does not have a written code of ethics and conduct for the directors and officers. The Corporation has no employees. All of the directors are required to act and carry out their duties honestly and in good faith with a view to the best interest of the Corporation. The Corporation requests that all its directors act according to the laws and rules where they are governed. Directors with an interest in a material transaction are required to declare their interest and abstain from voting on such transactions. All Board members have solid track records in spheres ranging from finance to exploration in order to ensure a culture of ethical business conduct.
Nomination of Directors	The Board does not have a nominating committee. The current size and composition of the Board allow the entire Board to take the responsibility for finding and nominating new directors, taking into consideration the competencies, skills, experiences and ability to devote the required time.
Compensation Committee	The Board does not have a compensation committee. The current size of the Board allows the entire Board to take responsibility for considering compensation for the Corporation's executive officers and directors. The Corporation compensates its directors by the grant of stock options and only the President and Chief Executive Officer is paid management and consultant fees for services rendered to the Corporation.
Other Board Committees	The Corporation does not have any standing committees other than the Audit Committee.
Board Assessments	The Board is responsible for assessing its effectiveness as well as that of individual directors. The Board considers the mix of skills and experience that directors bring to the Corporation to assess whether they have the necessary skills to perform their function effectively.

DIRECTORS' APPROVAL

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

November 19, 2013.

(S) Rodrigue Tremblay

Rodrigue Tremblay
President and Chief Executive Officer

SCHEDULE "A"

BY-LAW NO. 2013-1

(Adopted by the Board of Directors with immediate effect on November 15, 2013)

Z-GOLD EXPLORATION INC.

(hereinafter called the "Corporation")

INTRODUCTION

The Corporation is committed to:

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

The purpose of this By-law No. 2013-1 (the "**Advance Notice By-Law**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Advance Notice By-Law fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the Corporation that this Advance Notice By-Law is in the best interests of the Corporation, its shareholders and other stakeholders. This Advance Notice By-Laws will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

- (1) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "Board") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a "proposal" made in accordance with section 136(1) of the Business Corporations Act (Alberta) (the "Act"), or a requisition of the shareholders made in accordance with section 142(1) of the Act; or
 - (c) by any person (a "Nominating Shareholder") who:
 - (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Advance Notice By-Law and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and
 - (ii) complies with the notice procedures set forth below in this Advance Notice By-Law.
- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both

timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the President and Chief Executive Officer or to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

- (3) To be timely, a Nominating Shareholder's notice to the President and Chief Executive Officer or to the Corporate Secretary of the Corporation must be made:
- (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

- (4) To be in proper written form, a Nominating Shareholder's notice to the President and Chief Executive Officer or to the Corporate Secretary of the Corporation must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - (i) the name, age, business address and residential address of the person;
 - (ii) the principal occupation, business or employment of the person for the most recent five years, and the name and principal business of any company in which any such employment is carried on;
 - (iii) the citizenship of such person;
 - (iv) the number of securities of each class or series of securities in the capital of the Corporation which are owned beneficially or of record by the person or under the control or direction, directly or indirectly, of the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (v) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and
 - (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice:
 - (i) the name and address of such Nominating Shareholder, as they appear on the securities register of the Corporation;
 - (ii) the number of securities of each class or series of securities of the Corporation owned of record and beneficially by, or under the control or direction of, directly or indirectly, such Nominating Shareholder;
 - (iii) full particulars regarding any agreement, arrangement or understanding with respect to the nomination between or among such Nominating Shareholder, any of their respective affiliates or associates, and any others acting jointly or in concert with any of the foregoing, including the nominee;

- (iv) full particulars regarding any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the notice by, or on behalf of, such Nominating Shareholder, whether or not such instrument or right shall be subject to settlement in underlying securities of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder with respect to securities of the Corporation;
- (v) full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct or control the voting of any securities of the Corporation; and
- (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information and documents as may reasonably be required by the Corporation to

- (i) determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee, or
- (ii) satisfy the requirements of applicable stock exchange rules.

In addition, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

- (5) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Advance Notice By-Law; provided, however, that nothing in this By-Law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (6) For purposes of this Advance Notice By-Law:
 - (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (7) Notwithstanding any other provision of this Advance Notice By-Law, notice given to the Chief Financial Officer of the Corporation pursuant to this Advance Notice By-Law may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the President and Chief Executive Officer or to the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the President and Chief Executive Officer or to the Corporate Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a

business day or later than 5:00 p.m. (Rouyn-Noranda time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

- (8) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Advance Notice By-Law.
- (9) This Advance Notice By-Law was approved and adopted by the Board on November 15, 2013 (the "Effective Date") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this Advance Notice By-Law is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this Advance Notice By-Law shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.
- (10) This Advance Notice By-Law shall be interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in that province.

SCHEDULE “B”

Z-GOLD EXPLORATION INC. (the “Corporation”)

AUDIT COMMITTEE CHARTER

This Charter was adopted in conformity with *National Instrument 52-110 on the Audit Committee* (“Ni-52-110”). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee (hereinafter described as the “Audit Committee” or the “Committee”) and describes the qualifications and status required to become a member. The Committee reviews its charter periodically and, as required, makes recommendations to the Board of Directors (hereinafter described as the “Board of Directors” or the “Board”) as to any changes to be made.

I. Overall Purpose - Role of Audit Committee

The Committee is a committee of the Board to whom the Board has delegated the responsibility of reviewing the financial reporting process. The Audit Committee has a general mandate to assist the Board in fulfilling its responsibilities with regard to the financial information of the Corporation and its accounting practices, mainly in the process of reporting and disclosure. In this context, the Committee:

- ensures the reliability and the integrity of the Corporation’s financial statements and financial information, as well as other information made public by the Corporation;
- supervises the management of accounting systems and internal controls;
- assists in ensuring proper communications between the directors and the external auditors;
- supports the independence of the external auditors;
- supports the duties of the external directors in facilitating in-depth discussions between the directors members of the Audit Committee, Management and the external auditors;
- supervises the activities of the external auditors appointed to carry out an audit or to perform other related services; and
- recommends to the Board the appointment of the external auditors and their remuneration.

The Committee has the authority to examine and make recommendations on any question brought to its attention. The Committee, in carrying out this mandate, has access, upon request, to all relevant information concerning the Corporation’s operations, whether this information is in the hands of the Corporation, a subsidiary or a related person.

The Committee may, at his own discretion, use the services of outside consultants.

2. Committee Responsibilities - Audit

In general, the Committee’s mandate is to supervise the reporting and disclosure processes of the Corporation and to report on its activities to the Board.

The Committee must ascertain that adequate procedures are in place to review the public disclosure by the Corporation of financial information extracted or derived from its financial statements and must periodically assess the adequacy of these procedures.

The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;

and the confidential, anonymous submission by employees of the Corporation, if any, of concerns regarding questionable accounting or auditing matters.

And, more particularly,

2.1 Financial Statements, Notes, Management Reports and Press Releases

2.1.1 The Committee examines the interim financial statements and the audited financial statements at year-end before making them public, as well as the documents prepared for electronic deposit with regulatory authorities. The Committee may make whatever changes it deems necessary to the financial statements. Otherwise, the Committee recommends the approval of these financial statements by the Board.

2.1.2 The Committee examines the notes to the financial statements and all management reports accompanying the financial statements distributed to the shareholders and/or to the regulatory authorities, as well as press releases issued along with the financial statements, notes and related comments. The Committee makes all the modifications deemed necessary to these documents. Otherwise, it recommends the approval of these documents by the Board.

2.2 External Auditors

2.2.1 The Committee makes recommendations to the Board with regard to the selection of external auditors, their remuneration and their reappointment, as the case may be. It reviews the audit plan with the external auditors and defines the specific needs of the Committee. The Committee receives the auditors' report with the accompanying notes.

2.2.2 The Committee meets with the external auditors before the beginning of their mandate and, at this meeting, examines and approves the scope of the audit plan as well as the audit fees allocated to the work to be done.

2.2.3 At that time, the Committee analyzes the external auditors' independence, reviews services other than audit services to be performed by the external auditors and determines if the nature and extent of these services may or may not be prejudicial to their independence. The Committee reviews and approves the hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

2.2.4 The Committee also meets with the external auditors at the meeting planned for the examination of the year-end audited financial statements and, on this occasion, receives the post-audit report that will mainly deal with:- The acceptability and quality of the Corporation's accounting principles;

- The quality of the accounting systems and internal controls put in place by Management to ensure the integrity of the accounting and financial information;
- The recommendations made by the auditors to Management with respect to the accounting systems and internal controls, and Management's response thereto;
- The assessment of the measures put in place to deal with the risks faced by the Corporation when, in the auditors' opinion, certain factors could have a material impact on the results of the Corporation; and
- The difficulties encountered by the external auditors in the course of their mandate, in particular any restrictions imposed by Management or serious accounting questions over which they disagreed with Management.

2.2.5 At these meetings, the Audit Committee may meet with the auditors, out of the presence of the Corporation's Management and the internal directors. In fact, the

- Committee has direct access to the external auditors and Management and may hold private and informal discussions with each of the parties, whenever deemed opportune in carrying out their mandate.
- 2.2.6 Also, the Management of the Corporation and the external auditors may, if necessary, ask to meet the members of the Committee to review with them all transactions, procedures or other questions which, in their opinion, are relevant to the mandate of the Committee.
- 2.2.7 The Audit Committee must approve, in advance, all the services that are not related to the audit that the external auditors do for the Corporation and its subsidiaries.
- 2.2.8 The Committee examines the conditions of the mandate of the external auditors and verifies that the fees are appropriate and reasonable for the audit and approves unpaid fees.
- 2.2.9 The Committee is in charge of resolving disagreements between the management of the Corporation and the external auditors concerning the financial reporting.

3. Responsibilities of the Committee - Conflicts of Interest

Every year or more often, as required, the Committee examines:

- 3.1 Any situation that has been brought to its attention that may cause a conflict of interest and, more particularly, the approval of the financial conditions applicable within the framework of contracts with persons or companies related to or affiliated with the Corporation, to ensure that these contracts are as advantageous to the Corporation as if they had been negotiated with other parties.
- 3.2 Any eventual violation of a contract that is brought to its attention and which could have an impact on the financial statements.

4. Appointment of Auditors - Other Resources

In performing its duties, the Committee may hire all necessary resources.

Each year, after having verified the qualifications of the incumbent or potential auditors, the Committee must recommend to the Board the appointment of external auditors. At its first meeting of the year in March, the Committee must consider whether it is appropriate, for the next fiscal year, to proceed with a call for tenders from various auditing firms or to renew the mandate of the auditors in place.

If Management proposes a change of external auditors, the Committee must be informed of the reasons for such a change and, in all cases, approve the information to be made public in accordance with the regulations.

5. Composition

The Audit Committee consists of a minimum of three directors appointed by the Board at the first meeting following the annual general meeting of the shareholders.

The members of the Committee are in majority independent directors, as defined in Rule 52-110. All members of the Committee are financially literate.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this 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.

6. Chairman of the Committee

The Chairman of the Committee is selected by the members of the Committee unless he is appointed by the Board; in the case of absence, unavailability or if he vacates his post, the chairmanship will be assumed by a member chosen by the Committee.

7. Number of Meetings

The Committee will meet at least four (4) times per year or more, if necessary. Meetings can be held by conference call.

A member of the Committee may convene a special meeting.

8. Organization

The Committee appoints a Secretary.

Before each Committee meeting, the Secretary distributes a written agenda to the members. The Secretary will also maintain minutes of each meeting.

9. Quorum and Decisions

A majority of Committee members shall constitute a quorum.

Provided there is a quorum, decisions are made by a vote of the majority of the members present.

10. Report

The Committee reports to the Board of Directors. The minutes of a Committee meeting constitute a report in itself.