

## **SPARROW VENTURES CORP.**

**2013** Notice of Annual General Meeting of Shareholders  
**ANNUAL** Information Circular  
**GENERAL**  
**MEETING**

**Place:** 507 – 700 West Pender Street  
Vancouver, British Columbia  
V6C 1G8

**Time:** 10:00 a.m. (Vancouver time)

**Meeting Date:** Wednesday, October 16, 2013

**Dated:** September 11, 2013

## **SPARROW VENTURES CORP.**

### **CORPORATE DATA**

#### **Head Office**

Suite 507  
700 West Pender Street  
Vancouver, British Columbia  
V6C 1G8

#### **Directors and Officers**

Marc Morin, President and Chief Executive Officer  
Marc Levy, Director  
Phu Van Bui, Director  
Nilda Rivera, Chief Financial Officer  
Max Pinsky, Corporate Secretary

#### **Registrar and Transfer Agent**

Computershare Investor Services Inc.  
510 Burrard Street, 2<sup>nd</sup> Floor,  
Vancouver, B.C.  
V6C 3B9

#### **Legal Counsel**

Max Pinsky Personal Law Corporation  
Suite 1780 - 400 Burrard Street  
Vancouver, B.C.  
V7C 3A6

#### **Auditors**

Watson Dauphinee & Masuch, Chartered Accountants  
Suite 420, 1501 West Broadway  
Vancouver, B.C.  
V6J 4Z6

#### **Listing**

TSX-V  
Symbol "SPW"

## **SPARROW VENTURES CORP.**

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

**NOTICE IS HEREBY GIVEN** that the Annual General and Special Meeting (the “Meeting”) of Shareholders of **SPARROW VENTURES CORP.** (the “Company”) will be held at the offices of Sparrow Ventures Corp., Suite 507 – 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8, on **Wednesday, October 16, 2013**, at the hour of ten o’clock in the forenoon (local time), for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ended January 31, 2013 (with comparative statements relating to the preceding fiscal period) together with the report of the auditors thereon;
2. To appoint the auditors for the Company for the ensuing year and to authorize the board of directors to fix the auditors’ remuneration;
3. To fix the number of directors for the ensuing year at three;
4. To elect directors for the ensuing year;
5. To consider and, if thought fit, to pass an ordinary resolution providing the required annual re-approval of the Company’s Incentive Stock Option Plan, as more particularly described in the accompanying Information Circular;
6. To consider and, if thought fit, to pass an ordinary resolution authorizing an alteration of the Company’s Articles to include Advance Notice provisions, as more particularly described in the accompanying Information Circular; and
7. To transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice is an Information Circular dated September 11, 2013, and a form of Proxy, which includes an Annual/Interim Financial Statement and MD&A Request Section. The accompanying 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 in accordance with the instructions set out in the Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

To be valid, the accompanying form of Proxy, duly completed, dated and signed, must arrive at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services Division, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment of it or deposited with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment of it.

If you are a non-registered shareholder of the Company and received this Notice and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your intermediary.

DATED at Vancouver, British Columbia, this 11<sup>th</sup> day of September, 2013.

BY ORDER OF  
THE BOARD OF DIRECTORS

(signed) *Marc Morin*

Marc Morin, President and  
Chief Executive Officer

# SPARROW VENTURES CORP.

## INFORMATION CIRCULAR

(Containing information as at September 11, 2013 unless indicated otherwise)

### SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **Sparrow Ventures Corp.** (the “Company”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held at 10:00 a.m. (Vancouver time) on Wednesday, October 16, 2013 (the “Meeting”) at the place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of Proxy are directors or officers of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAME OF THE PERSON NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of Proxy is received by Computershare, Attention: Investor Services Division, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof or to the Chairman of the Meeting on the day of the Meeting, prior to the commencement of the Meeting or any adjournment thereof.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at Suite 507 – 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the Chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

## VOTING OF PROXIES

The shares represented by a properly executed proxy in favour of persons designated as proxyholders in the enclosed form of Proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be called for; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH SHARES WILL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of Proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Authorized Capital:	An unlimited number of common shares without par value
Issued and Outstanding:	13,590,500 common shares without par value

Only shareholders of record at the close of business on September 11, 2013 (the “Record Date”), who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the meeting.

On a show of hands, every individual who is present as a shareholder or as a duly appointed representative of one or more registered corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a valid proxy, and every person who is a duly appointed representative of one or more corporate shareholders, will have one vote for each common share registered in the name of the shareholder on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

To the knowledge of the directors and senior officers of the Company, there are no persons or companies who beneficially own, directly or indirectly or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

## ADVICE TO BENEFICIAL SHAREHOLDERS

**Only registered shareholders or proxyholders duly appointed by registered shareholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the names of a brokerage**

**firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders are entitled to vote at the Meeting.** If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder’s name on the records of the Company. Such shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of Proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of shares must be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“Objecting Beneficial Owners”, or “OBO’s”) and those who do not object to their identity being made known to the issuers of the securities they own (“Non-Objecting Beneficial Owners”, or “NOBO’s”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“NI 54-101”) issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the shares on your behalf.

The Company’s OBO’s can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of such shareholder’s broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy or voting instruction card provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

### **ELECTION OF DIRECTORS**

The Board of Directors (the “Board”) of the Company presently consists of three directors. The term of office of each of the present directors expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting for the ensuing year be fixed at three (3). At the Meeting, the shareholders of the Company will be asked to consider, and if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at three (3).

The persons named below will be presented for election at the meeting as management’s nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia) (the “BCCBA”).

In the following table and notes thereto is stated the name of each person proposed to be nominated by management for election as a director, the province or state and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, his employment during the past five years if such nominee is not presently an elected director, the period of time for which he has been a director of the Company, and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

<b>Name, Position, Province or State and Country of Residence <sup>(1)</sup></b>	<b>Principal Occupation and, if not at Present an Elected Director Employment for Last Five Years <sup>(1)</sup></b>	<b>Date Elected or Appointed</b>	<b>Number of Common Shares Held <sup>(2)</sup></b>
Marc Morin <sup>(3)</sup> British Columbia, Canada President, Chief Executive Officer and Director	Director of Ultra Lithium Inc. (TSX-V: ULI) since March 2009; President & CEO of Ultra Lithium Inc. since June 2010; President, CEO and a Director of Canasia Petroleum Inc. since August 2011; Director of Lornex Capital Inc. (TSX-V: LOM), June 2010 to August 2013.	December 14, 2007	750,000



<b>Name, Position, Province or State and Country of Residence <sup>(1)</sup></b>	<b>Principal Occupation and, if not at Present an Elected Director Employment for Last Five Years <sup>(1)</sup></b>	<b>Date Elected or Appointed</b>	<b>Number of Common Shares Held <sup>(2)</sup></b>
Marc E. Levy <sup>(3)</sup> British Columbia, Canada Director	President of Mosam Ventures Inc., since October 2004; President, CEO and a Director of Prescient Mining Corp. (TSX-V: PMC) since December 2006;; President, CEO and a Director of Remstar Resources Ltd. (TSX-V: REM) since August 2006; President, CEO and a Director of Lornex Capital Inc. (TSX-V: LOM), May 2008 to August 2013; President, CEO and a director of Metropolitan Energy Corp. (TSX-V: MOE), September 2011 to May 2013	December 14, 2007	591,666
Phu Van Bui <sup>(3)</sup> British Columbia, Canada Director	Geologist at Hunter Dickinson since July 2010; Director of Ultra Lithium Inc. (TSX-V: ULI) since July 2010; Director of Inca One Metals Corp. (TSX-V: IO) since July 2010.	August 26, 2010	150,000

**NOTES:**

- (1) The information as to the residency and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (3) Denotes member of Audit Committee.

**AUDIT COMMITTEE**

Pursuant to section 224 of the BCCBA, the Company is required to have an audit committee composed of not less than three directors of the Company, a majority of whom are not officers or employees of the Company or any of its affiliates.

**Audit Committee Charter**

Under National Instrument 52-110 – Audit Committees (“NI 52-110”), companies are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to the Company is provided in Schedule “A” to this Information Circular.

**Composition and Relevant Education and Experience of the Audit Committee**

The following table sets out the relevant education and experience of the directors of the Company who are members of the Audit Committee:

Member	Independent/Not Independent <sup>(1)</sup>	Financially Literate/ Not Financially Literate <sup>(2)</sup>	Relevant Education and Experience
Marc Morin	Not Independent	Financially literate	Mr. Morin serves as a director, officer and audit committee member for other publicly traded companies.
Marc E. Levy	Independent	Financially literate	Mr. Levy serves as a director, officer and audit committee member for other publicly traded companies.
Phu Van Bui	Independent	Financially literate	Mr. Bui is a businessman. Mr. Bui currently serves as a director of two publicly traded companies.

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company that could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Chairman of the Audit Committee is authorized to approve any non-audit services or additional work which the Chairman deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

### **External Auditor Service Fees (By Category)**

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

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>
2013	\$11,700	\$Nil	\$Nil	\$Nil
2012	\$12,700	\$Nil	\$800	\$Nil

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements that are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

### **Exemption**

The Company is relying upon the exemption in section 6.1 of the National Instrument 52-110 – *Audit Committees* from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officers**

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

- (a) the Company's chief executive officer ("CEO");
- (b) the Company's chief financial officer ("CFO");
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended January 31, 2013, the Company had two Named Executive Officers, being Marc Morin, President and CEO and Nilda Rivera, CFO.

### **Compensation Discussion & Analysis**

The Company's executive compensation program is comprised of base salary, annual cash bonuses, indirect compensation (benefits) and long-term incentives in the form of stock options. The Company's executive compensation practices are designed to attract and retain talented personnel capable of achieving the Company's objectives. The Company also utilizes compensation programs to motivate and reward the Company's executives for the ultimate achievement of the Company's goals. The Company makes use of complementary short-term and long-term incentive programs intended to provide fair, competitive and motivational rewards in the short-term while ensuring that executive's long-term objectives remain aligned with those of the shareholders.

The base salaries for all executives are paid within salary ranges established for each position based on scope and level of responsibility. Individual salaries within the range are determined by that executive's competence, skill level, and experience and market influences. Annual cash bonuses may be given based on subjective criteria, including the Company's ability to pay such bonuses, individual performance, the executive's contributions to achieving the Company's objectives and other competitive considerations.

## Option-Based Awards

Stock options are granted pursuant to the Company's Stock Option Plan (the "Plan") to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Company's Board of Directors.

## Summary Compensation Table

The following table is a summary of compensation paid to the Named Executive Officers during the Company's financial year ended January 31, 2013:

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
MARC MORIN President and CEO	2013	12,000	Nil	Nil	N/A	N/A	N/A	N/A	12,000
	2012	12,000	Nil	5,934	N/A	N/A	N/A	N/A	17,934
NILDA RIVERA CFO	2013	Nil	Nil	Nil	N/A	N/A	N/A	15,300 <sup>(2)</sup>	15,300
	2012	Nil	Nil	3,956	N/A	N/A	N/A	1,200 <sup>(2)</sup>	5,156

(1) The fair value of option-based awards is calculated using a Black-Scholes option pricing model with the following assumptions:

	2013	2012
Risk-free rate	-	2.03 – 2.63%
Expected dividend yield	-	0%
Expected stock price volatility	-	145%
Expected life of options	-	5 - 7 years

Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants. The Company uses an option-pricing model because there is no market for which employee options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an employee might receive if the options were freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

(2) Of the fees or accrued to Remstar for office, rent and administration, \$15,300 (2012 - \$1,200) was allocated to the CFO of the Company. See "Interest of Informed Persons in Material Transactions" below.

## Incentive Plan Awards

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

The following table sets out the outstanding share-based awards and option-based awards held by the Named Executive Officers as at January 31, 2013:

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 (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
MARC MORIN President and CEO	330,000	0.10	May 26, 2018	Nil <sup>(1)</sup>	N/A	N/A
	60,000	0.11	May 27, 2021	Nil <sup>(1)</sup>	N/A	N/A
NILDA RIVERA CFO	100,000	0.10	May 26, 2018	Nil <sup>(1)</sup>	N/A	N/A
	14,000	0.12	October 7, 2020	Nil <sup>(1)</sup>	N/A	N/A
	40,000	0.11	May 27, 2021	Nil <sup>(1)</sup>	N/A	N/A

(1) The closing market price of the Company's common shares on the TSXV on January 31, 2013 was \$0.045. None of the unexercised options were "in-the-money" as at January 31, 2013.

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

The following table sets out the value vested or earned in incentive plan awards held by the Named Executive Officers during the financial year ended January 31, 2013:

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 (\$)
MARC MORIN President and CEO	Nil <sup>(1)</sup>	N/A	N/A
NILDA RIVERA CFO	Nil <sup>(1)</sup>	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on the vesting dates and the exercise price of the options on the vesting dates.

See "Particulars of Matters to be Acted Upon – Ratification of Stock Option Plan" for a summary of the terms of the Company's stock option plan.

## Termination of Employment, Change in Responsibilities and Employment Contracts

The Company has no plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Company's most recently completed financial year or current financial year in

respect of compensating such officer in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

### Compensation of Directors

Other than compensation paid to Named Executive Officers, and except as noted below, no compensation in the form of cash was paid to directors in their capacity as directors of the Company during the Company's most recently completed financial year ended January 31, 2013.

#### *Director Compensation Table*

The following table sets forth the details of compensation in the form of stock options granted to the directors, other than the directors who are also Named Executive Officers during the Company's most recently completed financial year ended January 31, 2013:

Name	Year	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
MARC LEVY	2013	Nil	Nil	Nil	N/A	N/A	N/A	Nil
	2012	Nil	Nil	5,934	N/A	N/A	N/A	5,934
PHU VAN BUI	2013	Nil	Nil	Nil	N/A	N/A	N/A	Nil
	2012	Nil	Nil	2,967	N/A	N/A	N/A	2,967

(1) The fair value of option-based awards is calculated using a Black-Scholes option pricing model with the following assumptions:

	2013	2012
Risk-free rate	-	2.03 – 2.63%
Expected dividend yield	-	0%
Expected stock price volatility	-	145%
Expected life of options	-	5 - 7 years

Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants. The Company uses an option-pricing model because there is no market for which employee options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an employee might receive if the options were freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

### Incentive Plan Awards

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

The following table sets out the outstanding share-based awards and option-based awards held by the directors of the Company, who are not Named Executive Officers, as at January 31, 2013:

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 (\$)
MARC LEVY	330,000	0.10	May 26, 2018	Nil <sup>(1)</sup>	N/A	N/A
	60,000	0.11	May 27, 2021	Nil <sup>(1)</sup>	N/A	N/A
PHU VAN BUI	100,000	0.11	August 31, 2020	Nil <sup>(1)</sup>	N/A	N/A
	30,000	0.11	May 27, 2021	Nil <sup>(1)</sup>	N/A	N/A

(1) The closing market price of the Company's common shares on the TSXV on January 31, 2013 was \$0.045. None of the unexercised options were "in-the-money" as at January 31, 2013.

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

The following table sets out the value vested or earned in incentive plan awards by the directors of the Company, who are not Named Executive Officers, during the financial year ended January 31, 2013:

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 (\$)
MARC LEVY	Nil <sup>(1)</sup>	N/A	N/A
PHU VAN BUI	Nil <sup>(1)</sup>	N/A	N/A

(1) This value was determined by calculating the difference between the market price of the underlying common shares on the vesting dates and the exercise price of the options on the vesting dates.

See "Particulars of Matters to be Acted Upon – Ratification of Stock Option Plan" for a summary of the terms of the Company's stock option plan.

**Equity Compensation Plans**

The following table provides information regarding the Company's equity compensation plans which were in effect as at the fiscal year end January 31, 2013:

Plan Category	# of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved By Shareholders	1,349,000	\$0.11	10,050

<b>Plan Category</b>	<b># 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># of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
Equity Compensation Plans Not Approved By Shareholders	None	N/A	N/A
Total	1,349,000	\$0.11	10,050

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICE**

In accordance with the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 *Corporate Governance Guidelines* (the "Guidelines"), the Company is required to give full and complete disclosure of its systems of corporate governance. The Board is committed to good corporate governance practices; however it considers that some of the Guidelines are not suitable for the Company at its current stage of development and therefore such Guidelines have not been adopted. The Company's approach to corporate governance is provided in Schedule "B" attached to this Information Circular.

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

At no time during the Company's last completed financial year, was any director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

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

Other than as set forth below or in this or previous Information Circulars and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person of the Company, nor any shareholder beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Company nor an associate or affiliate of any of the foregoing persons has, since February 1, 2012 (being the commencement of the Company's last completed financial year), had any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries except as follows:

- (a) The amount of \$53,200 (2012 - \$54,600) was paid or accrued to Remstar Resources Ltd., a company having a director and officers in common with the Company, for office, rent and administration.

### **APPOINTMENT OF AUDITOR**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Watson Dauphinee & Masuch, Chartered Accountants, as auditors of the Company. Watson



Dauphinee & Masuch, Chartered Accountants, were first appointed auditors of the Company on December 15, 2007.

### **MANAGEMENT CONTRACTS**

The management functions of the Company are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

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

#### **A. Ratification of Stock Option Plan**

Pursuant to Policy 4.4 of the TSXV corporate finance manual, all TSXV listed companies are required to adopt a stock option plan prior to granting incentive stock options. The purpose of a stock option plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified executives, employees and consultants, to incent such individuals to contribute toward the long term goals of the Company, and to encourage such individuals to acquire common shares of the Company as long term investments. The Company is currently listed on the TSXV and has adopted a “rolling” stock option plan (the “Plan”) reserving a maximum of 10% of the issued shares of the Company at the time of the stock option grant. As a “rolling” stock option plan, the Plan is required to be reapproved by the Shareholders each year at the Company’s Annual General Meeting.

The TSXV’s Policy 4.4 and the terms of the Plan authorize the Board of Directors to grant stock options to optionees on the following terms:

8. The aggregate number of shares which will be available for purchase pursuant to Options granted pursuant to the Plan will not exceed 10% of the issued and outstanding shares of the Company at the time of the grant.
9. The following limitations shall apply to the Plan and all Options thereunder so long as such limitations are required by the TSXV:
  - (a) the maximum number of Shares which may be reserved for issuance to any one Option Holder under the Plan within any 12 month period shall be 5% of the Outstanding Issue;
  - (b) the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
  - (c) the maximum number of Options which may be granted to any one Consultant within any 12 month period must not exceed 2% of the Outstanding Issue; and
  - (d) the maximum number of Options which may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding

Issue, and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period,

10. Subject to a minimum price of \$0.10 per share, the option price shall not be less than the closing price (the "Market Price") of the Common Shares on the TSXV immediately preceding the day on which the Board grants and provides notice to the TSXV of the Options, less the discount to the Market Price permitted by the TSXV.
11. In the event that the option holder holds his or her option as an employee or consultant, other than an option holder who is engaged in investor relations activities, and such option holder ceases to hold such position other than by reason of death or disability, the expiry date of the Option shall be, unless otherwise expressly provided for in the Option Certificate, the 90th day following the date the option holder ceases to hold such position, or, in the case of an option holder that is engaged in investor relations activities while the Company is classified as a Tier 2 issuer on the TSXV, the 30th day after the date such Option Holder ceases to hold such position.
12. The options are non-assignable and non-transferable. In the event of the option holder's death, any Options held by such option holder shall pass to the personal representative of the option holder and shall be exercisable by the personal representative on or before the date which is the earlier of six months following the date of death and the applicable expiry date.
13. Options, other than Options granted to Consultants providing investor relations services, shall vest immediately if the Company is acquired or taken over through a merger, takeover or acquisition transaction.

Accordingly, Shareholders will be asked to pass an ordinary resolution, in substantially the following form, to ratify the Plan:

“RESOLVED, as an ordinary resolution, that the Company’s Incentive Stock Option Plan, as described in the Company’s Information Circular dated September 11, 2013 and the grant of options thereunder in accordance therewith, be ratified, confirmed and approved.”

An ordinary resolution is a resolution passed by a majority of greater than 50% of the votes cast by those shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the meeting.

A copy of the Plan may be inspected at the corporate office of the Company, Suite 507, 700 West Pender Street, Vancouver, British Columbia V6C 1G8, during normal business hours at any time up to the Meeting and at the Meeting. In addition, a copy of the plan will be mailed, free of charge, to any holder of common shares who requests a copy, in writing, from the Secretary of the Company at the address above. The Plan is also available on SEDAR under the Company’s profile @ [www.sedar.com](http://www.sedar.com).

Notice of options granted under the Plan must be given to the TSXV on a monthly basis. Any amendments to the Plan must also be approved by the TSXV and, if necessary, by the shareholders of the Company prior to becoming effective.

## **B. Advance Notice Policy**

The directors of the Company are proposing that the Articles of the Corporation are altered to include its advance notice policy (the “Policy”). The Policy requires advance notice to the Company for nominations of directors other than by management, through a requisition for a meeting or by way of a shareholder proposal. The full text of the

proposed alteration of the Articles to include the Advance Notice Policy is set out in Schedule C to this Information Circular.

The Company is committed to: (i) facilitate an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote.

The purpose of this Policy is to provide shareholders, directors and management of the Company with direction on the nomination of directors. This Policy is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

It is the position of the Company that this Policy is beneficial to shareholders and other stakeholders. This policy 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.

Among other things, the Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual meeting, provided that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the tenth day following such public announcement.

In the case of a special meeting of shareholders (whether or not called for other purposes), notice to the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

If the Advance Notice Policy is not approved at the Meeting, the Advance Notice Policy will terminate and be of no further force or effect from and after termination of the Meeting.

Management of the Company recommends that shareholders vote in favour and unless you give other instructions, the persons named in the enclosed form of proxy intend to vote for the ordinary resolution approving adoption of the Advance Notice Policy.

**“BE IT RESOLVED** that:

1. The Articles of the Company be and are hereby amended by the addition of Section 14.1A following Section 14.1, in the form attached as Schedule “C”;
2. The Board be authorized on behalf of the Company to make any amendments to the Advance Notice Policy as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure regulatory approval of the Advance Notice Policy;
3. The Board reserves the right to abandon the Advance Notice Policy should they deem it appropriate and in the best interest of the Company to do so; and

4. Any director or officer of the Company be and is hereby authorized to do all acts and things, to execute and to deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable in connection with or to give effect to and carry out the foregoing resolutions.”

#### **ANY OTHER MATTERS**

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com) under “Company Profiles – Sparrow Ventures Corp.”. The Company’s financial information is provided in the Company’s comparative financial statements and related management discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the President of the Company at Suite 507, 700 West Pender Street, Vancouver, British Columbia V6C 1G8.

## **SCHEDULE “A”**

### **The Audit Committee’s Charter**

The following is the text of the current Charter for the Audit Committee as adopted by the Board on January 1, 2008. The Board may amend such Charter in the future in light of evolving corporate governance standards.

#### **Overall Purpose / Objectives**

The Audit Committee will assist the board of directors (the “Board”) in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company’s business, operations and risks.

#### **Authority**

The Board authorizes the audit committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.

#### **Organization**

##### Membership

The Audit Committee will be comprised of at least three members, who are directors, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the committee from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company Secretary, or such person nominated by the Chairman.

##### Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting of the Audit Committee if they consider that it is necessary.

The proceedings of all meetings will be minuted.

#### **Roles and Responsibilities**

The Audit Committee will:

Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.

Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.

Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside independent counsel whenever deemed appropriate.

Review the annual and quarterly financial statements, including Management's Discussion and Analysis and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.

Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.

Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.

Meet with management and the external auditors to review the annual financial statements and the results of the audit.

Evaluate the fairness of the interim financial statements and disclosures and obtain explanations from management on whether:

- (a) actual financial results for the interim period varied significantly from budgeted or projected results;
- (b) generally accepted accounting principles have been consistently applied;
- (c) there are any actual or proposed changes in accounting or financial reporting practices; and
- (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.

Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to approve any non-audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non-audit or additional work.

Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.

Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

Review and approve the Company's hiring policies regarding partners, employers and former partners and employees of the present and former external auditors of the Company.

Establish a procedure for:

- (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.

Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.

Perform other functions as requested by the full Board.

If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.

Review and recommend updates to the charter; receive approval of changes from the Board.

## SCHEDULE “B”

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. The Guidelines establish corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of the Guidelines. In certain cases, the Company’s practices comply with the Guidelines, however, the Board considers that some of the Guidelines are not suitable for the Company at its current stage of development and therefore these Guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices for venture issuers in Form 58-101F2 – Corporate Governance Disclosure (Venture Issuers”) (“Form 58-101F2”), which disclosure is set out below.

#### **Board of Directors**

The Board is currently composed of three (3) directors. All of the proposed nominees for election as a director at the Meeting are current directors of the Company. Form 58-101F2 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Company. “Material relationship” is defined as a relationship that could, in the view of the company’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. Of the proposed nominees: (a) Marc Morin, the President and CEO of the Company, is not considered to be “independent”; (b) Marc Levy is an independent director; and (c) Phu Van Bui is an independent director. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to continue the search for additional qualified individuals who would be willing to serve as directors and who would be considered as “independent”, so as to strive to have a larger majority of independent Board members and enhance the quality of the Company’s corporate governance.

The Company does not currently have a Chairman of the Board and, given the current size of the Board, does not consider that a Chairman is necessary. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their position on the Board and ability to meet independently of management whenever deemed necessary. The Board will give consideration to appointing an “independent” member as Chairman at such time as it believes that such a position is required but will not be able to do so until additional “independent” directors are recruited and appointed.

#### *Mandate of the Board*

The mandate of the Board, as prescribed by the BCCBA, is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board;



and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows the Board will likely move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The positions of President and CEO are combined. The Board believes the Company is well serviced and the independence of the Board from management is not compromised by the combined role. The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition, in which three of four members is independent, is sufficient to ensure that the Board can function independently of management.

### **Directorships**

The following directors of the Company are directors of other reporting issuers:

<u>Name of Director</u>	<u>Other Reporting Issuers</u>	<u>Exchange</u>
Marc Morin	Ultra Lithium Inc.	TSXV
Marc Levy	Prescient Mining Corp. Remstar Resources Ltd.	TSXV TSXV
Phu Van Bui	Ultra Lithium Inc. Inca One Metals Corp.	TSXV TSXV

### **Orientation and Continuing Education**

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

## **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Company's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Company operations grow in size and scope, the Board anticipates that it would then formulate and implement a formal Code of Business Conduct and Ethics.

## **Nomination of Directors**

The Board as a whole determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

## **Compensation**

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Options to be granted to "management" directors are required, as a matter of board practice, to be reviewed and approved by the "non-management" directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee.

## **Other Board Committees**

Committees of the Board are an integral part of the Company's governance structure. At the present time, the only standing committee is the Audit Committee. Disclosure with respect to the Audit Committee, as required by NI 52-110, is contained in this Information Circular. As the Company grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute formal standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of "independent" directors.

## **Assessments**

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited

number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

## SCHEDULE “C”

### ALTERNATION OF ARTICLES

#### 14.1A 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 was 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 pursuant to a proposal made in accordance with the provisions of the British Columbia *Business Corporations Act* (the “**Act**”), or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”):
  - (i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and on the record date for notice of such meeting, is entered in the securities register 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
  - (ii) who complies with the notice procedures set forth below in this Policy.

2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.

3. To be timely, a Nominating Shareholder’s notice to the 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. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the 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 or employment of the person;

(iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the 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; and

(iv) 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, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and 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 as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

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

6. For purposes of this Policy:

(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](http://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 Policy, notice given to the Secretary of the Corporation pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the 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, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; 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. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

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