

HILLCREST RESOURCES LTD.

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INFORMATION CIRCULAR

as at May 30, 2014
(except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of HILLCREST RESOURCES LTD. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders to be held on July 14, 2014 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to “the Company”, “Hillcrest”, “we” and “our” refer to Hillcrest Resources Ltd. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “Proxy”) are directors and/or officers of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) use the internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker (an "intermediary"). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial owners – those who object to their name being made known to the issuers of securities which they own (called "OBOS" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from our transfer agent. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent sent these materials directly to

you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting, and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted at the Meeting and to vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or to the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "Board") of the Company has fixed May 30, 2014 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The authorized capital of the Company consists of an unlimited number of Common Shares. As of May 30, 2014, there were 40,500,211 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

The Company is also authorized to issue an unlimited number of voting Preferred shares without par value, each carrying the right to one vote. At the date of this Information Circular, there are no Preferred shares issued or outstanding. There are special rights and restrictions attached to the shares as set out in the Articles of the Company.

At March 21, 2014, all shares held in escrow under Escrow Agreement dated March 1, 2011 in accordance with an initial public offering under a Prospectus dated March 17, 2011, have been released. There are no other shares held in escrow on behalf of the Company.

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common of the Company as at May 30, 2014.

The audited financial statements of the Company for its fiscal year ended December 31, 2013, the report of the auditor and related management discussion and analysis, were filed on www.sedar.com on April 30, 2014 with the securities commissions or similar regulatory authority in British Columbia, Alberta, Saskatchewan and Ontario and will be tabled at the Meeting.

Copies of documents incorporated herein by reference may be obtained by a Shareholder upon request without charge from the Company at Suite 1100, 888 Dunsmuir Street, Vancouver, British Columbia V6C 3K4 Tel: 604-488-1514. These documents are also available through the Internet on SEDAR, which can be accessed at www.sedar.com.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act* (British

Columbia) (“BCA”), each director elected at the Meeting will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management’s five nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, the principal occupation, business or employment of each director nominee, the period of time during which each nominee has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at May 30, 2014.

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled⁽¹⁾
DONALD J. CURRIE⁽⁸⁾⁽⁹⁾ Chairman, Chief Executive Officer and Director British Columbia Canada	Consultant in the energy and resource sectors.	Since July 10, 2010	2,738,000 ⁽²⁾
JASON ODEN⁽⁸⁾⁽⁹⁾⁽¹⁰⁾ President and Director Texas, U.S.A.	Exploration Manager, BHP Billiton Petroleum, September 2000 to September 2005. Vice President, Exploration of Gulfsands Petroleum, since September 2005.	Director Since August 25, 2010 Officer Since September 29, 2011	1,203,000 ⁽³⁾
THOMAS G. MILNE⁽⁷⁾ Director British Columbia Canada	Director, Oilsands Quest Inc. October, 2004 to January 2010, President and Director of Precise Details Inc. since March, 1998. Director, Big Sky Energy Corp. from 2000 to March, 2006. CFO, Big Sky Energy Corp. from 2000 to April, 2005. Partner, Meyers, Norris, Penny from 2002 to February, 2004.	November 1, 2012	100,000
DAVID M.R. STONE (Dr.), Ph.D., MBA, P.Eng.⁽⁷⁾⁽⁸⁾⁽¹⁰⁾ Director Washington, U.S.A.	President, Minefill Services, a mining engineering consulting company based in Bothell, Washington, since August 1999.	Since July 18, 2007	170,000 ⁽⁴⁾

Name of Nominee; Current Position with the Company and Province and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Period as a Director of the Company	Shares Beneficially Owned or Controlled ⁽¹⁾
MICHAEL KRZUS Director Perth, Australia	CEO and other executive roles 2012/2013 Emerald Oil Inc (NYSE), CEO from 2009 to 2012 and Director from 2009 to 2013, Emerald Oil and Gas NL, (Australian Stock Exchange), 22 years a managerial and executive positions, including 4 year secondment to Shell, developing onshore oil and gas fields in the Netherlands, Woodside Petroleum Ltd (Australian Stock Exchange).	Since November 26, 2013	1,225,000 ⁽⁵⁾

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees and from insider reports available at www.sedi.ca. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. Mr. Currie holds 250,000 incentive stock options at an exercise price of \$0.20, expiring on March 22, 2016, 125,000 incentive stock options at an exercise price of \$0.25 expiring on September 26, 2016 and 275,000 incentive stock options at an exercise price of \$0.06, expiring on September 9, 2018. Mr. Currie also holds 42,000 warrants at an exercise price of \$0.12, expiring on February 28, 2015.
3. Mr. Oden holds 250,000 incentive stock options at an exercise price of \$0.20 expiring on March 22, 2016, 125,000 incentive stock options at an exercise price of \$0.25 expiring on September 26, 2016 and 275,000 incentive stock options at an exercise price of \$0.06 expiring on September 9, 2018.
4. Mr. Milne holds 150,000 incentive stock options at an exercise price of \$0.06 expiring on September 9, 2018.
5. Dr. Stone holds 150,000 incentive stock options at an exercise price of \$0.20, expiring on March 22, 2016 and 150,000 incentive stock options at an exercise price of \$0.06, expiring on September 9, 2018.
6. Mr. Krzus holds 300,000 incentive stock options at an exercise price of \$0.06, expiring on November 26, 2018.
7. Member of Audit Committee.
8. Member Compensation and Corporate Governance Committee.
9. Member Disclosure Committee.
10. Member Reserves Committee.

New Director

Michael Krzus was appointed a director of the Company on November 26, 2013. Mr. Krzus has extensive experience gained over 30 years in integrated onshore and offshore oil and gas developments in Australia, Canada, USA, Netherlands, deep water offshore oil developments and LNG projects in Australia. Mr. Krzus served as a director on industry advisory boards for the University of Western Australia School of Oil and Gas Engineering and Adelaide University's Australian School of Petroleum and a number of petroleum related research organizations in Australia. Mr. Krzus holds a Diploma in Oil and Gas Technology from the British Columbia Institute of Technology and a BSc. in Petroleum Engineering from Tulsa University.

Cease Trade Order, Bankruptcies and Insolvency

Except as disclosed herein, no proposed director is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company, in respect of which the information circular is being prepared) that:

- a. was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

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

Dr. David Stone was a director of Adanac Moly Corporation (TSX: AUA) from February 1, 2006 to July 14, 2008 and interim Chief Executive Officer from March 27 to July 14, 2008. Subsequent to Dr. Stone's resignation, Adanac Moly Corporation announced that it has been granted creditor protection under the Companies' Creditors Arrangement Act ("CCAA") as of December 19, 2008. The Courts issued a CCAA termination certificate on March 3, 2011.

Advance Notice Policy

On May 2, 2014, the Board of Directors of the Company (the "**Board**") adopted an advance notice policy (the "**Advance Notice Policy**") with immediate effect. The Advance Notice Policy provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) (the "**BCBCA**") or (ii) a shareholder proposal made pursuant to the provisions of the BCBCA.

The purpose of the Policy is to provide shareholders and the Company with direction on the nomination of directors including a) those participating in a meeting by proxy rather than in person, b) to receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. In addition, the Policy is the framework by which the Company seeks to fix a deadline by which holders of Common shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Policy also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is a summary of the Advance Notice Policy, it is not comprehensive and is qualified by the full text of such policy which is made available under the Company's profile on SEDAR at www.sedar.com.

For purposes of the Meeting, if the Company's shareholders approve the proposed amendment to the Company's Articles (the "**Alteration**" or "**Alterations**") contemplated below in the section entitled "Particulars of Matters to be Acted Upon – Alteration to Articles", then the Policy will terminate following the termination of the Meeting and will be concurrently superseded by the Alteration. If the shareholders of the Company do not approve the Alteration then the Policy will terminate and be of no further force and effect following the termination of the Meeting.

APPOINTMENT OF AUDITOR

Lancaster & David, Chartered Accountants, Suite 510, 701 West Georgia Street, Vancouver, British Columbia Canada V7Y 1C6, will be nominated at the Meeting for appointment as auditor of the Company at a remuneration to be fixed by the directors. Lancaster & David was first appointed auditor of the Company on October 31, 2007.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators (“NI 52-110”) requires the Company, 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:

The Audit Committee’s Charter

The Audit Committee has a charter, attached as Schedule “A” to the Company’s 2011 annual general and special meeting Information Circular, which was filed on www.sedar.com on May 3, 2011.

Composition of the Audit Committee

During fiscal year ending December 31, 2013, the members of the Audit Committee were: Dr. David Stone, Thomas G. Milne, Martin Wood and Kulwant Sandher. Mr. Wood resigned from the Board on November 25, 2013. Kulwant Sandher is not an independent member of the Audit Committee due to his being an officer (Chief Financial Officer) of the Company. Dr. David Stone and Thomas G. Milne are independent members of the Audit Committee. All members of the Audit Committee are considered to be financially literate.

Relevant Education and Experience

Dr. David Stone, Thomas G. Milne and Kulwant Sandher have many years of practical business experience, and have served for many years as directors of public companies, have experience reviewing financial statements of public companies and meet the criteria of “financially literate” as outlined in NI 52-110.

Dr. David Stone

Dr. David Stone, MBA, P.Eng. is a mining engineer whose career spans over 30 years of engineering and financial consulting to underground and surface mines worldwide. He has managed and led multi-disciplinary project teams through pre-feasibility and feasibility level evaluations of development stage projects, and has contributed to the engineering, design and construction of several mines.

Dr. David Stone has been a Director of the Company since July 18, 2007. Dr. Stone is also the President of Minefill Services Inc. and has been since August 1999.

Dr. Stone is a registered licensed professional engineer in several U.S. and Canadian jurisdictions and holds a Bachelor of Applied Science from the University of British Columbia, a Ph.D. in Civil Engineering from Queens University, and an Executive Masters of Business Administration from Queens University.

Thomas G. Milne

Mr. Milne is a senior financial management executive with extensive international experience in energy E&P, pipelines, oilsands and communication technology. Career roles include: Chief Financial Officer, Treasurer, Investment Banker, Senior Partner (CA firm) and Foreign Exchange Trader. He has been a Director of both public and private companies including Chairman of the Audit Committee for an AMEX-listed oilsands company. He is currently Chairman and Director of Precise Details Inc (a family owned company) and also a Director of Canshale Corp (a private company).

Kulwant Sandher

Mr. Sandher is a Chartered Accountant in both England and Canada, and has 23 years of experience working with oil and gas, mining and technology public companies with operations in the USA and Canada. Mr Sandher has a BSc. (Eng) in Avionics from London University.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board to nominate or compensate any auditor other than Lancaster & David.

Reliance on Certain Exemptions

The Company's auditor, Lancaster & David, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

See audit committee charter for specific policies for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Lancaster & David to ensure auditor independence. Fees incurred with Lancaster & David for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of services	Fees paid to auditor for year ended December 31, 2013.	Fees paid to auditor in year ended December 31, 2012.
Audit fees	\$28,000	\$28,000
Audit-related fees	\$Nil	\$Nil
Tax fees	\$Nil	\$Nil
Total	\$28,000	\$28,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Company 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 its reporting obligations under NI 52-110 for the year ended December 31, 2013. This exemption exempts a "venture issuer" from the requirement to have 100% of the members of its audit committee independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

There are no special structures or processes in place to facilitate the functioning of the directors of the Company independently of management. However, the independent directors are given full access to management so that they can develop an independent perspective and express their views and communicate their expectations of management.

The Board facilitates its independent supervision over management by ensuring a majority of the Board are not officers of the Company. During the financial year ended December 31, 2013, the independent members of the Board are Dr. David Stone, Martin Wood, Thomas G. Milne and Michael Krzus. Mr. Wood resigned from the Board on November 25, 2013. The non-independent directors are Donald J. Currie (Chairman and Chief Executive Officer of the Company) and Jason Oden (President of the Company).

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgement.

Directorships

The directors are currently serving on boards of the following other reporting companies (or equivalent) as set out below:

Name of Director	Name of reporting company and Exchange listed
David M. Stone	Formation Metals Inc. (TSX) Southern Arc Minerals Inc. (TSX-V and OTCBB) Superior Mining International Corporation (TSXV)

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

Ethical Business Conduct

The Company has not adopted a policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

Nomination of Directors

A Compensation and Corporate Governance Committee Charter was adopted by the Company on November 4, 2010. The members of the Compensation and Corporate Governance Committee comprise: Jason Oden (Chair), Donald J. Currie and Dr. David Stone. In fulfilling its oversight responsibilities for the nominations to the Board, the Compensation and Corporate Governance Committee shall: 1) establish criteria for selecting new directors which shall reflect, among other facts, a candidate’s integrity and business ethics, strength of character, judgment, experience, and independence, as well as factors relating to the composition of the Board, including its size and structure, the relative strengths and experience of current board members and principles of diversity; 2) consider and recruit candidates to fill new positions on the Board; 3) review any candidate recommended by the shareholders of the Company; 4) be responsible for conducting appropriate inquiries to establish a candidate’s compliance with the independent and other qualification requirements established by the Corporate

Governance Committee; 5) assess the contributions of current directors in connection with the annual recommendation of a slate of nominees and at that time review the criteria for Board candidates in the context of the evaluation process and other perceived needs of the Board; and 6) recommend the director nominees for election by the shareholders.

Compensation

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for executive compensation and Board compensation, the Compensation and Corporate Governance Committee shall: 1) review and approve on an annual basis the corporate goals and objectives relevant to the CEO's compensation; 2) evaluate at least once a year the CEO's performance in light of established goals and objectives and, based on such evaluation, shall, together with all other independent members of the Board, determine and approve the CEO's annual compensation, including, as appropriate, salary, bonus, incentive, and equity compensation; 3) review and approve on an annual basis the evaluation process and compensation structure for the Company's executive officers, including parameters for salary adjustments (at the discretion of the CEO) for officers are established; and 4) review and make recommendations to the Board with respect to the adoption, amendment, and termination of the Company's management incentive-compensation and equity-compensation plans, oversee their administration and discharge any duties imposed on the Compensation Committee by any of those plans.

Disclosure Committee

The members of the Disclosure Committee comprise: Desmond M. Balakrishnan (Corporate Secretary of the Company) (Chair), Donald J. Currie and Jason Oden. The Disclosure Committee general mandate is to 1) educate directors and the appropriate officers and employees about disclosure issues, the Corporate Disclosure Policy and the Disclosure Controls and Procedures Policy of the Company, 2) recommend changes to those Policies to the Board as may be necessary or advisable, 3) establish and implement processes for the timely collection and reporting of potential material information, and the timely evaluation and dissemination of material information to securities regulators, stock exchanges and shareholders, 4) report on its evaluation of disclosure controls and procedures at least annually to the Audit Committee and the Board; and 5) disclose disclosure controls and procedures in the Company's annual Management's Discussion and Analysis.

Reserves Committee

The members of the Reserves Committee comprise: Jason Oden (Chair) and Dr. David Stone. The Reserves Committee is responsible for reviewing and approving the annual independent evaluation of the Company's reserves. The Reserves Committee's general mandate is to oversee and monitor the Company's process for calculating the reserves and procedures for compliance with applicable legislation and conformity with industry standards and disclosure of information. It reviews, reports and, when appropriate, makes recommendations to the Board on the Company's policies and procedures related to the Company's reserves estimates.

Other Board Committees

The Board has formally appointed four standing committees: the Audit Committee, the Compensation and Governance Committee, the Disclosure Committee and the Reserves Committee.

Assessments

Pursuant to the Compensation and Corporate Governance Committee Charter, in discharging its oversight responsibilities for the performance review of the Board, committees, and directors, the Corporate Governance Committee shall: 1) evaluate the performance of the Board on an annual basis; 2) solicit comments from all directors and report annually to the Board on its assessment of the Board's performance; and 3) evaluate the performance of individual directors and committees of the Board on a periodic basis.

COMPENSATION OF EXECUTIVE OFFICERS

Executive Compensation

In this section “Named Executive Officer” means the Chief Executive Officer (the “CEO”), the Chief Financial Officer (“CFO”) and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation was more than \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

Donald J. Currie, Chairman and Chief Executive Officer, Jason Oden, President, Stewart A. Jackson, former President, Kulwant Sandher, Chief Financial Officer and Wan Jung, former Chief Financial Officer, are each a Named Executive Officer (“NEO”) of the Company for the purposes of the following disclosure.

Compensation Discussion and Analysis

Executive compensation is set to attract and retain the best available talent while efficiently utilizing available resources. The Company compensates executive management with a package typically including a base salary (“Base Salary”), an incentive compensation plan (“Incentive Compensation”) and equity compensation (the “Equity Compensation”) designed to be competitive with comparable employers. In considering executive management’s compensation, the Board takes into consideration the financial condition of the Company. The Base Salary is set in comparison to the comparable positions in the market and in the industry, the Incentive Compensation is used as a short-term incentive to achieve Company objectives, and the Equity Compensation is designed to allow the participants to enjoy the benefits of any increase in company valuation and share price, should such an increase occur. Executive compensation is designed to reward activities and achievements that are aligned with the long-term interests of the Company’s shareholders.

The Base Salary, Incentive Compensation and Equity Compensation for the Company’s NEOs, including the CEO and the CFO is determined by the Company’s Compensation Committee. The Compensation Committee sets the compensation of the NEOs using generally available market data and their combined industry experience. The Compensation Committee delegates to the NEOs the responsibility to set the compensation packages for all other senior management and staff.

At this time NEOs and directors are not allowed to hedge risk of the Company’s securities.

The compensation committee is responsible for executive and director compensation, including reviewing and recommending director compensation, overseeing the Company’s base compensation structure and equity-based compensation program, recommending compensation of the Company’s officers and employees, and evaluating the performance of officers generally and in light of annual goals and objectives.

The compensation committee also assumes responsibility for reviewing and monitoring the long-range compensation strategy for the Company’s senior management. The compensation committee reviews the compensation of senior management on an annual basis taking into account compensation paid by other issuers of similar size and activity.

Philosophy and Objectives

The Company is a small, junior resource company with limited resources. The compensation program for the senior management of the Company is designed within this context with a view that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining qualified executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company’s shareholders.

In compensating its senior management, the Company has employed a combination of base salary and equity participation through its share option plan. Recommendations for senior management compensation are presented to the Board for review.

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's share option plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the compensation committee based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company emphasizes the provisions of option grants to maintain executive motivation.

Risks Associated with the Company's Compensation Practices

At the time of preparation of this Information Circular, the Company's directors had not considered the implications of any risks to the Company associated with decisions regarding the Company's compensation program. The Company intends to formalize its compensation policies and practices and will take into consideration the implications of the risks associated with the Company's compensation program and how it might mitigate those risks.

Base Salary or Consulting Fees

Base salary ranges for the executive officers were initially determined upon a review of companies within the mining industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

Benefits and Perquisites

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

Hedging by Named Executive Officers or Directors

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars,

or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company's Stock Option Plan is the only equity security element awarded by the Company to its executive officers and directors (see – Particulars of Matters to Be Acted Upon for a description of the Company's stock option plan).

Option-Based Awards

The Company has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The compensation committee proposes share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan is administered by the Compensation and Corporate Governance Committee and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

Summary Compensation Table

The compensation paid to the NEOs during the Company's three most recently completed financial year of December 31 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Donald J. Currie Chairman & CEO	2013	90,000	Nil	12,956	Nil	Nil	Nil	Nil	102,956
	2012	90,000	Nil	Nil	Nil	Nil	Nil	Nil	90,000
	2011	77,500	Nil	96,434	Nil	Nil	Nil	Nil	173,934
Jason Oden ⁽¹⁾ President	2013	54,085	Nil	12,956	Nil	Nil	Nil	Nil	67,041
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	96,434	Nil	Nil	Nil	Nil	96,434
Kulwant Sandher ⁽²⁾ CFO	2013	73,500	Nil	7,067	Nil	Nil	Nil	Nil	80,567
	2012	71,000	Nil	Nil	Nil	Nil	Nil	Nil	71,000
	2011	Nil	Nil	32,780	Nil	Nil	Nil	Nil	32,780
Stewart A. Jackson ⁽³⁾ Former President	2013	31,250	Nil	4,711	Nil	Nil	Nil	Nil	35,961
	2012	5,000	Nil	Nil	Nil	Nil	Nil	Nil	5,000
	2011	5,000	Nil	41,470	Nil	Nil	Nil	Nil	46,470
Wan Jung ⁽⁴⁾ Former CFO	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	24,000	Nil	69,117	Nil	Nil	Nil	Nil	93,117

(1) Mr. Oden was appointed President of the Company on September 29, 2011.

(2) Mr. Sandher was appointed Chief Financial Officer of the Company on December 16, 2011.

(3) Mr. Jackson resigned as Director and President of the Company on November 7, 2011.

(4) Mr. Jung resigned as Chief Financial Officer of the Company on August 1, 2010[see Dec.16/11 news release].

Outstanding Share-based Awards and Option-based Awards

The following table sets out all option-based awards and share-based awards outstanding as at December 31, 2013, for each NEO:

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 shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Donald J. Currie	250,000	\$0.20	March 22, 2016	Nil	N/AN/A	N/A	N/A
	125,000	\$0.25	September 23, 2016	Nil		N/A	N/A
	275,000	\$0.06	September 9, 2018	Nil	N/A	N/A	N/A
Jason Oden	250,000	\$0.20	March 22, 2016	Nil	N/A	N/A	N/A
	125,000	\$0.25	September 23, 2016	Nil	N/A	N/A	N/A
	275,000	\$0.06	September 9, 2018	Nil	N/A	N/A	N/A
Kulwant Sandher	100,000	\$0.25	September 23, 2016	Nil	N/A	N/A	N/A
	150,000	\$0.06	September 9, 2018	Nil	N/A	N/A	N/A

Notes:

⁽¹⁾ The closing price on the TSX-V of the Common Shares as at December 31, 2013 was \$0.06 per Common Share.

Incentive Plan Awards – Vested Value

There were no options value vested under incentive plans by persons who was an NEO during the fiscal year ended December 31, 2013.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Termination and Change of Control Benefits

There are no presently no management contracts with the Company.

Director Compensation

Other than set out in this Information Circular, there are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants, other than the granting of options to purchase Common Shares.

Outstanding Share-based Awards and Option-based Awards

The following table sets forth information concerning all awards outstanding to each of the directors who is not an NEO for the Company's most recently completed financial year of December 31, 2013:

Name	Option-based Awards				Share-based Awards		Market or payout value of vested share-based awards not paid out or distributed (\$)
	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 shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	
Dr. David Stone	150,000	\$0.20	March 22, 2016	Nil	Nil	Nil	Nil
	150,000	\$0.06	September 9, 2018	Nil	Nil	Nil	Nil
Martin Wood ⁽¹⁾	150,000	\$0.25	September 23, 2016	Nil	Nil	Nil	Nil
	150,000	\$0.06	September 9, 2018	Nil	Nil	Nil	Nil
Thomas G. Milne	150,000	\$0.06	September 9, 2018	Nil	Nil	Nil	Nil
Michael Krzus	300,000	\$0.06	November 26, 2018	Nil	Nil	Nil	Nil

Note:

(1) Mr. Wood resigned as director of the Company on November 25, 2013. Mr. Wood's stock options have expired, not having been exercised.

Incentive Plan Awards – Value Vested or Earned During the Year

There were no option based awards vested or earned during fiscal year ended December 31, 2013 to any director, excluding a director who is already set out in disclosure above for an NEO for the Company.

Note:

The closing price of the Common Shares on December 31, 2013 was \$0.06, the last day of trading prior to the year end of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the share option plan. See disclosure under heading "PARTICULARS OF MATTERS TO BE ACTED UPON - *Share Option Plan*".

The following table sets out equity compensation plan information as at the financial year end of December 31, 2013.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plan (c)
Equity compensation plans approved by securityholders - (the Share Option Plan)	4,600,000	\$0.12	Nil ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	4,600,000		Nil ⁽¹⁾

(1) Subsequent to December 31, 2013, 950,000 stock options have been cancelled.

The Company's shares were listed for trading on the TSX Venture Exchange on March 22, 2011

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than set out below, no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end most recently completed financial year or as at the date hereof.

As at December 31, 2013, the Company owed \$10,131 (2012 - \$2,822) to a director, the CEO and the CFO which is included in accounts payable on the Company's audited financial statements for year ending December 31, 2013. Stock-based compensation of \$68,117 was recognized during the year ended December 31, 2013 (2012 - \$nil), related to stock options granted to directors and officers.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

The following summarizes the Company's related party transactions during the years ended December 31, 2013 and 2012:

	2013	2012
Consulting fees to the Chief Executive Officer of the Company	\$90,000	\$90,000
Consulting and accounting fees to companies controlled by the Chief Financial Officer of the Company	\$73,500	\$71,000
Consulting fees to a Director of the Company	\$54,085	---

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

This Information Circular, including the disclosure below, briefly describes (and, where practicable, states the approximate amount) of any material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Adjustment to Expiry Date of Outstanding Warrants

On March 8, 2012, the Company completed a first tranche to an \$0.18 unit non-brokered unit private placement. Each unit comprised 2,785,779 common shares at a price of \$0.18 per share with one-half warrants totalling 1,392,889 warrant shares at a warrant exercise price of \$0.30 exercisable up to and including February 28, 2014. On July 12, 2012, the TSX-V consented to a reduction in the exercise price of a total of 1,392,889 warrants at a new exercise price of \$0.12 per warrant share. On February 19, 2014, the TSX-V consented to an extension to the expiry date of a total of 1,392,889 warrants from original expiry date of February 28, 2014 to a new warrant expiry date of February 28, 2015, at an exercise price of \$0.12 per warrant share, subject to a forced exercise provision, whereby if the closing price of the Company's shares is \$0.15 or more for a period of ten consecutive trading days, then the warrant holders will have 30 days to exercise their warrants, otherwise the warrants will expire on the 31st day.

Mr. Currie purchased 84,000 units in this private placement and currently holds 42,000 outstanding warrants.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Share Option Plan

On November 4, 2010, the Company implemented a 10% rolling share option plan in order (the “Option Plan”) in order to provide the Company with the flexibility necessary to attract and maintain the services of senior executives and other employees in competition with other businesses in the industry, and in anticipation of the Company being listed on the TSX Venture Exchange (“TSX-V”), subject to shareholder and subject to regulatory approval, where required.

A number of Common Shares equal to ten (10%) percent of the issued and outstanding Common Shares in the capital stock of the Company from time to time are reserved for the issuance of stock options pursuant to the Option Plan. The Option Plan is administered by the Board. The Plan provides that the number of Common Shares issuable under the Option Plan, together with all of the Company’s other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares.

During the Company’s financial year ended December 31, 2013 and to the date of mailing of this Information Circular, options have been granted and remain outstanding to purchase an aggregate of 3,650,000 Common Shares and expire on a date not later than 10 years after the date of grant of an option.

The TSX-V policy requires all of its listed companies to have a share option plan if the company intends to grant options. Under TSX-V policy, the continuation of the Option Plan requires annual shareholder approval at each annual meeting of the Company by ordinary resolution. The Board is of the view that the Option Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in compensation with other companies in the industry.

Material Terms to the Option Plan

The following is a summary of the material terms of the Option Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Option Plan;
- (b) options granted under the Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (d) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) if an Optionee dies, any vested option held by him at the date of death will become exercisable by the Optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;

- (f) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same;
- (g) the exercise price of each option will be set by the Board at the time such Option is allocated under the Option Plan, and cannot be less than the Discounted Market Price (as defined in the Option Plan);
- (h) vesting of options shall be at the discretion of the Board and, with respect to any particular Options granted under the Option Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where application, vesting of Options will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or any of its affiliates during the vesting period;
- (i) the Option Plan contains a black-out provision restricting all or any of the Company's directors, officers, employees, insiders or persons in a special relationship to refrain from trading in the Company's securities until the restriction has been lifted by the Company;
- (j) the Board reserves the right in its absolute discretion to amend, modify or terminate the Option Plan with respect to all common shares in respect of options which have not yet been granted under the Option Plan. Any amendment to any provision of the Option Plan will be subject to any necessary Regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the Option Plan to Service Providers.

The Board has determined that, in order to reasonably protect the rights of participants, as a matter of administration, it is necessary to clarify when amendments to the Option Plan may be made by the Board without further shareholder approval. Accordingly, the Option Plan also provides that the Board may, without shareholder approval:

- (i) amend the Option Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Option Plan, subject to prior written approval of the TSX-V, if applicable;
- (iii) change the termination provision of an option granted under the Option Plan if it does not entail an extension beyond the original expiry date of such option;
- (iv) make such amendments to the Option Plan as are necessary or desirable to reflect changes to securities laws applicable to the Company;
- (v) make such amendments as may otherwise be permitted by the TSX-V Policies, if applicable;
- (vi) if the Company becomes listed or quoted on a stock exchange or stock market, make senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Option Plan to reduce, and do not increase, the benefits that may be granted to Service Providers.

Shareholder Approval

At the Meeting, shareholders will be asked to vote on the following resolution, with or without variation:

“Resolved that the Company's 10% rolling share option plan dated for reference November 4, 2010, as amended May 10, 2012, be and is hereby ratified and approved until the next annual general meeting of the Company.”

An *ordinary resolution* is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

The Board recommends that you vote in favour of the above resolution.

A copy of the Option Plan will be available for inspection at the Meeting.

A shareholder may also obtain a copy of the Option Plan by contacting the Company at Suite 1100, 888 Dunsmuir Street, Vancouver, British Columbia V6C 3K4 Tel: 604-488-1514 or Fax No.: 604 844-7572.

B. Alteration to Articles

Shareholders of the Company approved the adoption of a new set of Articles at the Company's Annual General and Special Meeting held on May 27, 2011 and were filed on SEDAR on September 7, 2011.

Advance Notice Provision

INTRODUCTION

The directors of the Company are proposing that the Articles of the Company be altered to include an advance notice provision (the "**Advance Notice Provision**"), which will:

- (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings;
- (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 full text of the proposed Alterations to include the Advance Notice Provision is set out in Schedule "B" to this Information Circular.

PURPOSE OF THE ADVANCE NOTICE PROVISION

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision 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.

EFFECT OF THE ADVANCE NOTICE PROVISION

1. Subject to the British Columbia *Business Corporations Act* (the "BCBCA") and the Articles, the persons who are nominated in accordance with the following procedures shall only be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only 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 of the Company, 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 BCBCA, or a requisition of the shareholders made in accordance with the provisions of the BCBCA; 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 the Advance Notice Provision 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 the Advance Notice Provision.

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 Corporate Secretary of the Company at the principal executive offices of the Company.

3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company 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 40 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 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 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. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above.

4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company 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 Company 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;
 - (iv) a statement as to whether such person would be "independent" of the Company (within the meaning of applicable securities law) if elected as a director at such meeting and the reasons and basis for such determination; and
 - (v) 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 class or series and number of shares in the authorized share structure of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and
 - (ii) 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 BCBCA and Applicable Securities Laws (as defined below).

5. To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provision and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the meeting, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

6. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision 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.

7. For purposes of the Advance Notice Provision:

- (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 Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (b) “**Applicable Securities Laws**”, means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable provinces and territories of Canada.

8. Notwithstanding any other provision of the Advance Notice Provision, notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provision may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), 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 Corporate Secretary at the address of the principal executive offices of the Company; 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.

SHAREHOLDER CONFIRMATION

9. Under the Articles and the BCBCA, the Company's governing statute, the Alteration of the Articles requires the approval by a simple majority of the votes cast in person or represented by proxy at the Meeting of the Company. Accordingly, shareholders will be asked at the Meeting to vote on an ordinary resolution, the text of which is set out below, contained in Schedule “A” to this Information Circular (the “**Advance Notice Provision Resolution**”), to approve the alteration of the Articles of the Company to include the Advance Notice Provision.

RECOMMENDATION OF THE BOARD

10. The Board has concluded that the Advance Notice Provision is in the best interests of the Company and its shareholders. Accordingly, the Board unanimously recommends that the shareholders ratify, confirm and

approve an alteration of the Company's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting.

ADVANCE NOTICE PROVISION RESOLUTION

At the Meeting, shareholders will be asked to consider and if thought advisable, to approve an ordinary resolution authorizing an alteration of the Company's Articles to include advance notice provisions, with or without variation, as follows:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

Pursuant to Part 14 and the Articles of the Company, that the existing Articles of the Company be altered as follows:

- (a) By adding Part 14.12 of the Articles as described in Schedule “A” be adopted to this resolution and renumbering the paragraphs that follow accordingly;
- (b) It is a condition of this resolution that the alterations to the Articles of the Company referred to above do not take effect until the date and time that this resolution is received for deposit at the records office of the Company; and
- (c) Any director of the Company be authorized for and on behalf of the Company to do such things and to execute and deliver, whether under the common seal of the Company or otherwise, all such statements, forms and other documents as such director may consider advisable in connection with the foregoing and to take all such action and do all such things to give effect to the transactions contemplated by the foregoing resolutions and the execution by any one director shall be conclusive proof of his or her authority to execute the same for and on behalf of the Company.

Revocation of Resolution

Pursuant to §139 of the Act, the directors have the right to revoke the above ordinary resolutions before they are acted on.”

The above ordinary resolution, if passed, will become effective immediately upon the date and time that the resolution and the signed Articles are received for deposit at the records office of the Company.

Upon receipt of approval to the alterations to the Articles, an updated form of Articles may be accessed at www.sedar.com.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE ALTERATION OF THE ARTICLES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

ADDITIONAL INFORMATION

Additional information concerning the Company is available through the Internet on SEDAR which may be accessed at www.sedar.com. or may be obtained by a Shareholder upon request without charge from the Company located at Suite 1100 – 888 Dunsmuir Street, Vancouver, British Columbia Canada. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

DATED at Vancouver, British Columbia, June 12, 2014.

BY ORDER OF THE BOARD

“Donald J. Currie”

Donald J. Currie
Chief Executive Officer

SCHEDULE “A”
FULL TEXT OF PROPOSED ALTERATION OF THE ARTICLES

This is Schedule “A” to Information Circular of
HILLCREST RESOURCES LTD.

“Nomination of Directors

Subject only to the BCBCA:

(i) only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(A) by or at the direction of the board or an authorized officer of the Company, 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 Act or a requisition of the shareholders made in accordance with the provisions of the BCBCA; 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 §14.12 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 §14.12.

(ii) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(e).

(iii) To be timely under §14.12(b)(i), a Nominating Shareholder’s notice to the Corporate Secretary of the Company 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 called for a date that is less than 40 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 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 fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(C) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).

(iv) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under §14.12(b)(i) 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 residence 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 Company 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,

(IV) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination, and

(V) 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 BCBCA and Applicable Securities Laws; and

(B) as to the Nominating Shareholder giving the notice,

(I) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws, and

(II) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder 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) To be a candidate eligible for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in the form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

(vi) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCBCA. The chair 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.

(vii) For purposes of this §14.12:

(A) “**Affiliate**”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(B) “**Applicable Securities Laws**” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(C) “**Associate**”, when used to indicate a relationship with a specified person, shall mean,

(I) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding,

(II) any partner of that person,

(III) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity,

(IV) a spouse of such specified person,

(V) any person of either sex with whom such specified person is living in conjugal relationship outside marriage, or

(VI) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(D) “**Derivatives Contract**” shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(E) “**Meeting of Shareholders**” shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(F) “**owned beneficially**” or “**owns beneficially**” means, in connection with the ownership of shares in the capital of the Company by a person,

(I) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,

(II) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing,

(III) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate, and

(IV) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(G) "**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 Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(viii) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), 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 Corporate Secretary at the address of the principal executive offices of the Company, 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 pm (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.

(ix) 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 in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e)."