

DECLAN RESOURCES INC.

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

**to be held on Thursday, September 25, 2014 at 11:00 a.m. (Vancouver time)
at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4**

**MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT**

August 19, 2014

DECLAN RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an annual and special meeting (the "Meeting") of the shareholders of Declan Resources Inc. (the "Corporation") will be held at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4, on Thursday, September 25, 2014 at 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the year ended September 30, 2013, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at 5 members;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
5. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying management information circular and proxy statement (the "Management Proxy Circular"), ratifying, adopting and re-approving the stock option plan of the Corporation and authorizing the Corporation's board of directors to make any amendments thereto that may be required for the purpose of obtaining the approval of applicable securities regulatory authorities or stock exchanges;
6. to consider and, if deemed advisable, to pass a special resolution, the full text of which is set forth in the accompanying Management Proxy Circular, to approve and authorize an alteration of the Corporation's Articles to include advance notice provisions;
7. to consider and, if deemed advisable, to pass a special resolution, the full text of which is set forth in the accompanying Management Proxy Circular, to approve and authorize an alteration of the Corporation's Articles to give the board of directors the authority to alter the authorized share structure of the Corporation; and
8. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Proxy Circular.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying instrument of proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Proxy Circular. An instrument of proxy will not be valid unless it is deposited at the offices of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. An instrument of proxy may also be voted using a touch tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the shareholder's instrument of proxy. A person appointed as proxy holder need not be a shareholder of the Corporation.

Only shareholders of record as at the close of business on August 19, 2014 are entitled to receive notice of the Meeting.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.

DATED at Vancouver, British Columbia as of the 19th day of August, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

"David Miller"

David Miller
President & Chief Executive Officer

DECLAN RESOURCES INC.

Management Information Circular and Proxy Statement

(Unless otherwise stated, information contained herein is given as of August 19, 2014)

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This management information circular and proxy statement (the "Management Proxy Circular") is furnished in connection with the solicitation of proxies by the management of Declan Resources Inc. (the "Corporation") for use at the annual and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares ("Common Shares") of the Corporation to be held at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4, on Thursday, September 25, 2014 at 11:00 a.m. (Vancouver time), for the purposes set forth in the notice of annual and special meeting (the "Notice") accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, internet, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time set for the Meeting or any adjournment thereof.** An instrument of proxy may also be voted using a touch tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the shareholder's instrument of proxy.

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the Corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meetings. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Except as disclosed in this Management Proxy Circular, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on, other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares, Record Date and Principal Shareholders

As at the date of this Management Proxy Circular, the authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value. The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting is August 19, 2014 (the "Record Date"). As at the Record Date, there were 170,366,638 Common Shares issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and executive officers of the Corporation, the only beneficial owners or persons exercising control or direction over Common Shares carrying more than 10% of the outstanding voting rights as of the Record Date were:

Shareholder	No. of Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Shares
CDS & Co. ⁽¹⁾	105,941,902	62.18%

Note:

(1) The Corporation does not know the beneficial owners of these shares.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all annual and special meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. The holders of Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "Board of Directors" or the "Board") declare and, upon liquidation, to receive such assets of the Corporation as are distributable to holders of Common Shares.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date and holders of Common Shares issued by the Corporation after the Record Date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii)

the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Holder") are registered either:

- a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "CDS").

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Proxy Circular and the instrument of proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service Corporation (such as Broadridge Financial Solutions, Inc. ("Broadridge")) to forward meeting materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through Internet based voting procedures; or
- b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Investor Services at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three

most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers").

The Named Executive Officers of the Corporation during the most recently completed financial year are Wayne Tisdale, President and Chief Executive Officer (Mr. Tisdale was appointed President and Chief Executive Officer on June 6, 2012 and resigned on March 3, 2014), James Newall, Chief Operating Officer and Lesia Burianyk, Chief Financial Officer. Named Executive Officers also include John Parker, former Chief Financial Officer (Mr. Parker was appointed Chief Financial Officer on May 1, 2013 and resigned on August 30, 2013) and John Jardine, former Chief Financial Officer (Mr. Jardine was appointed Chief Financial Officer on November 3, 2011 and resigned on May 1, 2013). There were no other Named Executive Officers during the most recently completed financial year, as no other employees earned in excess of \$150,000 in the financial year ended September 30, 2013.

Philosophy and Objectives

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors.

The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings for Shareholders. The Board of Directors set the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors rely primarily on their own experience and knowledge.

Compensation

The Corporation compensates its executive officers based on their skill and experience levels and the existing stage of development of the Corporation. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board of Directors has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers are paid a monthly consulting fee or salary. Second, the Board of Directors awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board of Directors may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Corporation does not provide pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board of Directors. The Chief Executive Officer has substantial input in setting annual compensation levels. The Chief Executive Officer is directly responsible for the financial resources and operations of the Corporation. In addition, the Chief Executive Officer and Board of Directors from time to time determine the stock option grants to be made pursuant to the incentive plan of the Corporation (the "Plan"). Previous grants of stock options are taken into account when considering new grants. The Board of Directors awards bonuses at its sole discretion. The Board of Directors does not have pre-existing performance criteria or objectives.

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its executive officers and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation's compensation program includes certain mechanisms to ensure risk taking behaviour falls within reasonable risk tolerance levels, including (i) the establishment of a compensation package that is competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin; and (ii) utilizing long term incentive plans (option based awards) for diversification and alignment with risk realization periods.

Neither executive officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on the Corporation's financial resources and prospects.

Compensation of Ms. Lesia Burianyk, Chief Financial Officer

The Corporation entered into a consulting agreement on September 5, 2013 (the "Burianyk Agreement") with Lesia Burianyk, pursuant to which Ms. Burianyk provides her services to the Corporation. The terms of the Burianyk Agreement are reviewed by the Board of Directors on an annual basis. Pursuant to the Burianyk Agreement, Ms. Burianyk is to receive a monthly consulting fee of \$4,500 plus GST for her services. For a summary of the compensation paid to Ms. Burianyk in respect of the financial years ended September 30, 2013, September 30, 2012 and September 30, 2011, please refer to the Summary Compensation Table below.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the years ended September 30, 2013, September 30, 2012 and September 30, 2011 to the Named Executive Officers.

Name and Principal Position	Year	Annual Compensation			Non-Equity Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁸⁾	Annual Incentive Plans	Long-Term Incentive Plans			
Lesia Burianyk Chief Financial Officer	2013	4,500	-	-	-	-	-	-	4,500
	2012	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-
Jamie Newall ⁽¹⁾ Chief Operating Officer	2013	30,202	-	-	-	-	-	-	30,202
	2012	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-
Wayne Tisdale ⁽²⁾ Former President and Chief Executive Officer	2013	-	18,000	-	-	-	-	-	18,000
	2012	-	-	111,143	-	-	-	-	111,143
	2011	-	-	-	-	-	-	-	-
John Parker ⁽³⁾ Former Chief Financial Officer	2013	20,000	-	-	-	-	-	-	20,000
	2012	-	-	-	-	-	-	-	-
	2011	-	-	-	-	-	-	-	-
Michelle Gahagan ⁽⁴⁾ Former President and Chief Executive Officer	2013	54,000	-	-	-	-	-	-	54,000
	2012	107,800	-	83,357	-	-	-	-	191,157
	2011	-	-	-	-	-	-	-	-
John Jardine ⁽⁵⁾ Former Chief Financial Officer	2013	42,000	-	-	-	-	-	-	42,000
	2012	56,800	-	66,686	Nil	Nil	Nil	Nil	123,486
	2011	-	-	-	-	-	-	-	-
Souhail Abi-Farrage ⁽⁶⁾ Former President and Chief Executive Officer	2013	-	-	-	-	-	-	-	-
	2012	60,000	-	-	-	-	-	-	60,000
	2011	65,000	24,905	140,554	-	-	-	-	230,459

Name and Principal Position	Year	Annual Compensation			Non-Equity Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁸⁾	Annual Incentive Plans	Long-Term Incentive Plans			
Patricia Wilson ⁽⁷⁾	2013	-	-	-	-	-	-	-	
Former Chief	2012	-	-	-	-	-	-	-	
Financial Officer	2011	-	-	18,152	-	-	-	18,152	

Notes:

- (1) The table above reflects the compensation paid to Starbay Resources Ltd., a company controlled by Mr. Newall.
- (2) Mr. Tisdale acted as President and Chief Executive Officer from June 6, 2012 to March 3, 2014.
- (3) The table above reflects the compensation paid to Buckley Dodds Parker LLP, a company controlled by Mr. Parker. Mr. Parker acted as Chief Financial Officer from May 1, 2013 to August 30, 2013.
- (4) The table above reflects the compensation paid to Carsonby Enterprises Inc., a company controlled by Ms. Gahagan. Ms. Gahagan acted as President and Chief Executive Officer from November 3, 2011 to June 6, 2012.
- (5) The table above reflects the compensation paid to J.W. Jardine and Company Ltd., a company controlled by Mr. Jardine. Mr. Jardine acted as Chief Financial Officer from November 3, 2011 to May 1, 2013.
- (6) Mr. Farrage acted as President and Chief Executive Officer from August 26, 2005 to October 18, 2011.
- (7) Ms. Wilson acted as Chief Financial Officer from August 26, 2007 to October 14, 2011.
- (8) The grant date fair value of the stock options was calculated using the Black-Scholes option pricing model.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following is a summary of the material terms of the Plan and is qualified in its entirety by the full text of the Plan, which is attached hereto as Schedule "C":

- The number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- Under the Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12 month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12 month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12 month period.
- The exercise price for options granted under the Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the the TSX Venture Exchange ("TSXV").
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Plan are non-assignable, except by will or by the laws of descent and distribution.

The following table sets forth all share-based or option-based awards outstanding at the financial year ended September 30, 2013 to the Corporation's Name Executive Officers. The table also includes awards granted before September 30, 2013 to the Corporation's Name Executive Officers:

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 (\$)
Lesia Burianyk <i>Chief Financial Officer</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jamie Newall <i>Chief Operating Officer</i>	500,000	\$0.15	July 12, 2015	Nil	Nil	Nil	Nil
Wayne Tisdale ⁽¹⁾ <i>Former President and Chief Executive Officer</i>	1,000,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil
Michelle Gahagan ⁽²⁾ <i>Former President and Chief Executive Officer</i>	750,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil

Note:

- (1) Mr. Tisdale acted as President and Chief Executive Officer from June 6, 2012 to March 3, 2014.
(2) Ms. Gahagan acted as President and Chief Executive Officer from November 3, 2011 to June 6, 2012.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth all share-based or option-based awards that vested in or were earned by the Corporation's Named Executive Officers during the financial year ended September 30, 2013.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Lesia Burianyk <i>Chief Financial Officer</i>	Nil	Nil	Nil
Jamie Newall <i>Chief Operating Officer</i>	Nil	Nil	Nil
Wayne Tisdale ⁽¹⁾ <i>Former President and Chief Executive Officer</i>	Nil	Nil	Nil
Michelle Gahagan ⁽²⁾ <i>Former President and Chief Executive Officer</i>	Nil	Nil	Nil

Note:

- (1) Mr. Tisdale acted as President and Chief Executive Officer from June 6, 2012 to March 3, 2014.
(2) Ms. Gahagan acted as President and Chief Executive Officer from November 3, 2011 to June 6, 2012.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

Pursuant to the terms of the Plan, if an optionee holds his or her option as director, employee or consultant of the Corporation and such optionee ceases to be a director, employee or consultant of the Corporation, other than by reason of death, then the optionee may exercise such part of the option as is exercisable immediately prior to the time of ceasing to be a director, employee or consultant of the Corporation within a period which is the earlier of the normal expiry date of the option and 90 days following ceasing to be a director, employee or consultant of the Corporation and all unexercised options of the optionee will immediately terminate forthwith without further notice.

If an optionee engaged in investor relations activities ceases to be employed to perform investor relations activities, other than by reason of death, then the optionee may exercise such part of the option as is exercisable immediately prior to the time of ceasing to be employed to perform investor relations activities within a period which is the earlier of the normal expiry date of the option and 30 days following ceasing to be employed to perform investor relations activities and all unexercised options of the optionee will immediately terminate forthwith without further notice.

In the event of the death of an optionee, any options which the optionee could have exercised immediately prior to death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the option and 12 months after the optionee's death and all unexercised options of the optionee will immediately terminate forthwith without further notice.

In the event of a consolidation or merger in which the Corporation is not the surviving company, or in the event the Common Shares are converted into securities of another entity or exchanged for other consideration, or in the event of an offer for fifty percent or more of shares being made by a third party that constitutes a take-over bid as that term is defined in the *Securities Act* (British Columbia) or would constitute a take-over bid as that term is defined in the *Securities Act* (British Columbia) but for the fact that the offeree is not in British Columbia, the Board may make such arrangements as the Board deems appropriate for the exercise of outstanding options or continuance of outstanding options.

Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

Director Compensation

The Corporation has no standard arrangement pursuant to which directors are compensated by the Corporation for their services in their capacity as directors except for the granting from time to time of incentive stock options in accordance with the policies of the TSX Venture Exchange. The following table sets forth compensation that was paid to any director of the Corporation for the director's services as a director during the financial year ended September 30, 2013.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Wayne Tisdale	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michelle Gahagan	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Garry Clark	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Curtis	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Craig Mclean	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gordon King	Nil	Nil	53,603	Nil	Nil	Nil	53,603
Jamie Newall	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) The grant date fair value of the stock options was calculated using the Black-Scholes option pricing model.

Share-Based Awards, Option-Based Awards and Non-Equity Incentive Plan Compensation

Incentive plan awards – Outstanding share-based awards and option-based awards

The following table sets forth all share-based or option-based awards outstanding at the financial year ended September 30, 2013 to the Corporation's directors. The table also includes awards granted before September 30, 2013 to the Corporation's directors:

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 (\$)
Wayne Tisdale	1,000,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil
Michelle Gahagan	750,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil
Garry Clark	600,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil
Michael Curtis	500,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil
Craig Mclean	500,000	\$0.15	July 12, 2015	Nil	Nil	Nil	Nil
	250,000	\$0.16	September 11, 2017	Nil	Nil	Nil	Nil
Gordon King	500,000	\$0.16	November 9, 2017	Nil	Nil	Nil	Nil
Jamie Newall	500,000	\$0.15	July 12, 2015	Nil	Nil	Nil	Nil

Incentive plan awards – value vested or earned during the year

The following table sets forth all share-based or option-based awards that vested in or were earned by the Corporation's directors during the financial year ended September 30, 2013.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Wayne Tisdale	Nil	Nil	Nil
Michelle Gahagan	Nil	Nil	Nil
Garry Clark	Nil	Nil	Nil
Michael Curtis	Nil	Nil	Nil
Craig Mclean	Nil	Nil	Nil
Gordon King	Nil	Nil	Nil
Jamie Newall	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	6,250,000	\$0.16	5,298,789 ⁽¹⁾
Equity compensation plans not approved by securityholders	-	-	-
Total	6,250,000	\$0.16	5,298,789

Note:

- (1) The Plan provides that the aggregate number of securities reserved for issuance under the Plan may not exceed 10% of the issued and outstanding shares of the Corporation at the time of granting of options. As at the Record Date, there were 170,366,638 Common Shares issued and outstanding and 11,000,000 outstanding options, with the result that 6,036,664 options were available to the Corporation to be granted.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Proxy Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

CORPORATE GOVERNANCE

The British Columbia Securities Commission has issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 (the "Disclosure"). The Disclosure addresses matters relating to constitution and independence of directors, the functions to be performed by the directors of a Corporation and their committees and

effectiveness and evaluation of proposed corporate governance guidelines and best practices specified by the Canadian securities regulators. The Corporation's approach to corporate governance in the context of the specific Disclosure issues outlined in Form 58-101F2 is set out in the attached Schedule "A".

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Management Proxy Circular as Schedule "B".

Composition of the Audit Committee

The following are the members of the Audit Committee:

Name	Independent	Financially literate ⁽²⁾
Michelle Gahagan	No ⁽¹⁾	Yes
Gordon King	Yes	Yes
Hikmet Akin	Yes	Yes

Notes:

- (1) Michelle Gahagan resigned as the President and Chief Executive Officer of the Corporation on June 6, 2012 and therefore does not satisfy the definition of Independent until June 6, 2015, as that term is defined in National Instrument 52-110 ("NI 52-110").
- (2) As defined by NI 52-110.

Education and Experience

Michelle Gahagan – Ms. Gahagan is currently a principal of a privately-held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking seven years ago, Ms. Gahagan graduated from Queens University Law School and practiced corporate law for 20 years. Ms. Gahagan has extensive experience advising companies with respect to international tax-driven structures, mergers and acquisitions. Ms. Gahagan has successfully completed the Investment Management Certificate course and is a Qualified Person under the Financial Services Authority (UK) regime.

Gordon King – Mr. King has over 35 years of investment banking and finance experience. He has served on the board of directors for numerous firms in the UK, one of which he was a co-founder and managing director. He has since been involved in the financing of many junior resource companies throughout Europe and North America. Mr. King is currently president of Goldreign Capital Inc., a private investment company in Canada.

Hikmet Akin – Dr. Akin has 35 years of career experience in mineral exploration, development and production with an emphasis on uranium projects. Dr. Akin held various senior managerial positions before becoming President and CEO of the German mining company Uranerzbergbau GmbH ("Uranerz"). Uranerz was the 3rd largest uranium producer in the world with exploration and mining operations mainly in North America, Germany and Central Asia before its sale to Cameco Corp. in 1998. In his time with Uranerz, Dr. Akin worked the Athabasca basin extensively and has supervised activities that lead to the advancement of projects and various discoveries in the Athabasca Basin, and elsewhere. Dr. Akin now has a geological consulting practice serving a broad range of international corporate clients. He is also Chairman of Anatolia Energy which is developing an in-situ leach uranium project in Turkey.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services as described below under the heading "External Auditors"; however, such engagement is with the mandate of the Audit Committee.

External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2013	\$61,000	\$7,503	\$8,000	Nil
2012	\$99,000	\$32,000	\$11,250	Nil

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The audited financial statements of the Corporation for the year ended September 30, 2013 and the auditors' report thereon accompanying this Management Proxy Circular will be placed before the Shareholders at the Meeting for their consideration. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare Investor Services. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

Election of Directors

Advance Notice Policy

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

The purpose of the Advance Notice Policy is to ensure 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. Among other things, the Advance Notice Policy fixes a deadline by which holders of Common Shares must submit director nominations to the Corporation 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 Corporation for the notice to be in proper written form.

The Board of Directors intends to place the provisions of the Advance Notice Policy before the Shareholders of the Corporation as an amendment to the Articles of the Corporation for approval at the Meeting. If the approval of the amendment is not received at the Meeting by special resolution of Shareholders, the Advance Notice Policy will terminate and be of no further force and effect following the termination of the Meeting.

The foregoing is merely a summary of the Advance Notice Policy, is not comprehensive and is qualified by the full text of such policy which is available under the Corporation's SEDAR profile at www.sedar.com. The full text of the proposed alteration of the Articles of the Corporation to include the Advance Notice Policy is set out in Schedule "D" hereto.

As of the date of the Management Proxy Circular, the Corporation has not received notice of a nomination in compliance with the Advance Notice Policy.

Nominees

The persons named below are the nominees of management for election as directors. The term of office of each of the present directors expires at the Meeting. At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at five members. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated. All of the nominees are currently members of the Board of Directors of the Corporation.

Approval of the election of directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled and percentage of total issued and outstanding ⁽¹⁾
David Miller Wyoming, USA Director, President & Chief Executive Officer	Mr. Miller is a Registered Professional Geologist in Wyoming and is a Registered Member of the Society for Mining, Metallurgy & Exploration. Mr. Miller worked with Strathmore Minerals Corp. from 1997 to 2013, during which he had multiple roles, spanning from President in 2004 to CEO in 2008.	2014	Nil
Wayne Tisdale Malta Director	Mr. Tisdale has 40 years of experience in mining, oil and gas and agriculture financing, exploration and development. He runs his own merchant banking company and sits on the board of directors of a number of private and public companies on the TSX Venture Exchange.	2012	13,537,033 ⁽³⁾ 7.95%
Michelle Gahagan ⁽²⁾ Vancouver, British Columbia Director	Ms. Gahagan is currently a principal in a privately-held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking seven years ago, Ms. Gahagan practiced corporate law for 20 years.	2011	Nil
Hikmet Akin ⁽²⁾ Gabriola Island, British Columbia Director	Dr. Akin has 35 years of career experience in mineral exploration, development and production with an emphasis on uranium projects. Dr. Akin now has a geological consulting practice serving a broad range of international corporate clients.	2013	Nil
Gordon King ⁽²⁾ Langley, British Columbia Director	Mr. King is President of Goldreign Capital Inc., a private investment company in Canada.	2012	8,038,238 4.72%

Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) Member of the Audit Committee.
- (3) 600,000 are held directly, 2,210,857 are held indirectly by Caledonia Capital Corp.; 1,333,333 are held indirectly by Arrandale Financial Corp.; 8,454,343 are held indirectly through Galloway Financial Services Inc.; 400,000 are held indirectly by Harmony Global Ltd.; and 538,500 are held indirectly through Excel Investments Ltd.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any other Corporation that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the Corporation access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No director or proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other Corporation that, while such person was acting in that capacity, or within a year of that individual 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.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

No director or proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No director or proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other mining issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (British Columbia).

Appointment of Auditors

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favor of the appointment of Davidson & Company LLP, Chartered Accountants as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the Board of Directors of the Corporation. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying Instrument of Proxy intend to vote FOR the resolution.**

Ratification and Re-Approval of Stock Option Plan

Pursuant to Policy 4.4 of the TSXV, corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the corporation must receive yearly shareholder approval of the stock option plan. For a summary of the Plan, please refer to the section herein entitled "*Incentive Plan Awards*" or refer to Schedule "C" hereto where the text of the Plan is attached in its entirety.

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. The TSXV requires such approval before it will allow the adoption of the Plan. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Plan. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and re-approve the Plan.**

The text of the resolution regarding this matter is as follows:

"BE IT RESOLVED THAT:

1. the stock option plan (the "Plan") of the Corporation, as described in the management information circular and proxy statement of the Corporation dated August 19, 2014, as may be amended by the Board of Directors as required by applicable securities regulatory authorities or stock exchanges, is hereby ratified, adopted and re-approved;
2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

Advance Notice Provision

Having adopted the Advance Notice Policy, the Board of Directors are proposing that the Articles of the Corporation 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; (iii) allow the Corporation and Shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation; and (iv) allow Shareholders to register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Schedule "D" hereto.

Purpose of the Advance Notice Provision

The purpose of the Advance Notice Provision is to provide Shareholders, directors and management of the Corporation with guidance and direction on the procedure for Shareholder nomination of directors. The Advance Notice Provision is the framework by which the Corporation seeks to fix a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

Effect of the Advance Notice Provision

Subject only to the *Business Corporations Act* (British Columbia) (the "Act") and the Articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board of Directors or an authorized officer of the Corporation, 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 Act; or (c) by any person (a "Nominating Shareholder"): (i) who, at the close of business on the date of the giving of the notice provided for below in 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 in the Advance Notice Provision.

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 Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 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 close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above, or otherwise waive the application, in whole or in part, of the Advance Notice Provisions.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) a statement as to whether such person would be "independent" of the Corporation (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 Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "D" hereto). In addition, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth: (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 Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "D" hereto); and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Corporation 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 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.

The Advance Notice Provision will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

Shareholder Confirmation

Under the Articles of the Corporation and the Act, the alteration of the Corporation's Articles requires the approval of more than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Corporation by a special resolution. Accordingly, Shareholders will be asked at the Meeting to vote on a special resolution, the text of which is contained below (the "Advance Notice Provision Resolution"), to approve the alteration of the Articles of the Corporation to include the Advance Notice Provision.

Recommendation of the Board

The Board of Directors has concluded that the Advance Notice Provision is in the best interests of the Corporation and the Shareholders. Accordingly, the Board of Directors unanimously recommends that the Shareholders ratify, confirm and approve an alteration of the Corporation's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the Advance Notice Provision Resolution.**

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

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of the Corporation be altered by adding the text substantially as set forth in Schedule "D" to this management information circular and proxy statement of the Corporation dated August 19, 2014 as Article 14.12 of the Articles;
2. the Corporation be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board of Directors deems it appropriate and in the best interest of the Corporation to do so without further confirmation, ratification or approval of the shareholders; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing special resolutions."

Alteration of Authorized Share Structure

It is proposed that the Articles of the Corporation be altered to give the Board of Directors the authority to alter the authorized share structure of the Corporation (an "Alteration of Authorized Share Structure"). The Corporation's Articles currently require that any Alteration of Authorized Share Structure be approved by the Corporation's shareholders by special resolution. Management of the Corporation believes it to be in the best interests of the Corporation to empower the Board of Directors to alter the Corporation's authorized share capital at the discretion of the Board and therefore proposes that the Articles of the Corporation be altered.

Purpose of the Amendment to the Corporation's Articles

The purpose of the Alteration of Authorized Share Structure is to give the Board of Directors the authority to subdivide or consolidate all or any of the Corporation's unissued, or fully paid issued, shares which will enable the Corporation to act quickly, efficiently and with minimal expense to consolidate its share capital in circumstances where capital is needed. The full text of the proposed alteration of the Articles to include Alteration of Authorized Share Structure is set out in Schedule "E" hereto.

Effect of the Amendment to the Corporation's Articles

Subject to the *Business Corporations Act* (British Columbia) (the "Act"), TSX Venture Exchange policy and the Articles of the Corporation, the authorized share structure of the Corporation may be altered by way of resolution of the Board of Directors to effect a cumulative consolidation ratio of no greater than 10 to 1 over a 24 month period.

Shareholder Confirmation

Under the Articles of the Corporation and the Act, the alteration of the Corporation's Articles requires the approval of more than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Corporation by a special resolution. Accordingly, Shareholders will be asked at the Meeting to vote on a special resolution, the text of which is contained below (the "Alteration of Authorized Share Structure"), to approve the alteration of the Articles of the Corporation to give the Board of Directors the authority to alter the authorized share structure of the Corporation.

Recommendation of the Board

The Board of Directors has concluded that the Alteration of Authorized Share Structure is in the best interests of the Corporation and the Shareholders. Accordingly, the Board of Directors unanimously recommends that the Shareholders ratify, confirm and approve an alteration of the Corporation's Articles by voting FOR the Alteration of Authorized Share Structure Resolution at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the Alteration of Authorized Share Structure Resolution.**

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

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of the Corporation be altered by adding the text substantially as set forth in Schedule "E" to this management information circular and proxy statement of the Corporation dated August 19, 2014 as Article 9.1 of the Articles;
2. the Corporation be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board of Directors deems it appropriate and in the best interest of the Corporation to do so without further confirmation, ratification or approval of the shareholders; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing special resolutions."

Other Matters to Be Acted Upon

As of the date of this Management Proxy Circular, management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, the accompanying proxy will be voted on such matters in the best judgment of the person or persons voting the proxy.

MANAGEMENT CONTRACTS

The Corporation has a consulting agreement with Totobie Management Ltd. ("Totobie") pursuant to which office support services are provided and Leah Martin provides her services as Corporate Secretary. The Corporation pays \$5,000 plus GST per month to Totobie. The Buriyank Agreement and the consulting agreement with Totobie, are the only management contracts in place between the Corporation and any directors or officers.

Other than as set forth above, no management functions of the Corporation or any subsidiary of the Corporation are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at www.sedar.com or which may be obtained upon request from the Corporation at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4, or via fax at (604) 639-4458.

SCHEDULE "A"

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

1. **Board of Directors** — Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including
- (i) the identity of directors that are independent; and
Hikmet Akin and Gordon King.
 - (ii) the identity of directors who are not independent, and the basis for that determination.
David Miller, Wayne Tisdale and Michelle Gahagan.

In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director's exercise of independent judgement.

David Miller is currently President and Chief Executive Officer of the Corporation and therefore does not satisfy the definition of Independent as that term is defined in NI 52-110. Wayne Tisdale resigned as President and Chief Executive Officer of the Corporation on March 3, 2014 and therefore does not satisfy the definition of Independent until March 3, 2017. Michelle Gahagan resigned as President and Chief Executive Officer of the Corporation on June 6, 2012 and therefore does not satisfy the definition of Independent until June 6, 2015.

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

The directors of the Corporation, except for Mr. Gordon King, are directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<i>Name of Director</i>	<i>Issuer</i>
<i>David Miller</i>	<i>County Coal Ltd.</i>
<i>Hikmet Akin</i>	<i>Aegean Metals Group Inc. Anatolia Energy Ltd.</i>
<i>Wayne Tisdale</i>	<i>Kerr Mines Inc. Suparna Gold Corp.</i>
<i>Michelle Gahagan</i>	<i>CellStop Systems Inc. eShippers Management Ltd. Suparna Gold Corp.</i>

3. **Orientation and Continuing Education** — Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

The Corporation has not developed an official orientation or training program for new directors. As required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.

4. **Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants.

The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

5. Nomination of Directors — Disclose what steps, if any, are taken to identify new candidates for board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

The Board has not appointed a nominating committee as the Board fulfills these functions as a whole. When the Board identifies the need to fill a position on the Board, the Board requests that current directors forward potential candidates for consideration.

6. Compensation — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation, and

Management of the Corporation is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.

- (ii) the process of determining compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation.

7. Other Board Committees — If the board has standing committees other than the audit and compensation identify the committees and describe their function.

The Corporation does not have any other committees other than the audit committee.

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

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision making processes and the quality of information provided by management.

SCHEDULE "B"

DECLAN RESOURCES INC. (the "Corporation")

AUDIT COMMITTEE CHARTER

The mandate and charter of the Corporation's audit committee (the "Audit Committee") can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board of Directors, in good standing, and the majority of the members of the audit committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Corporation proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the Management or others to attend the meetings and provide pertinent information as necessary.
5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board of Directors any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Corporation; assess the steps that Management has taken or proposes to take to minimize such risks to the Corporation; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Corporation from a subjective as well as an objective standpoint.
13. Review with the independent accountants:

- (a) the adequacy of the Corporation's internal controls including computerized information systems controls and security; and
 - (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
- 14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
- 15. Review with the Management, the independent auditors, the interim annual financial report before it is filed with the regulatory authorities.
- 16. Review with the independent auditor that performs an audit:
 - (a) all critical accounting policies and practices used by the Corporation; and
 - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management of the Corporation, the ramifications of each alternative and the treatment preferred by the Corporation.
- 17. Review all material written communications between the independent auditors and the Management.
- 18. Review with the Management and the independent auditors:
 - (a) the Corporation's annual financial statements and related footnotes;
 - (b) the independent auditors' audit of the financial statements and their report thereon;
 - (c) the independent auditor's judgments about the quality, not just the acceptability, of the Corporation's accounting principles as applied in its financial reporting;
 - (d) any significant changes required in the independent auditors' audit plan; and
 - (e) any serious difficulties or disputes with the Management encountered during the audit.
- 19. Periodically review the Corporation's code of conduct to ensure that it is adequate and up-to-date.
- 20. Review the procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
- 21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
- 22. The Audit Committee will perform such other functions as assigned by law, the Corporation's articles, or the Board of Directors.

SCHEDULE "C"

DECLAN RESOURCES INC.

ROLLING INCENTIVE SHARE OPTION PLAN

SECTION 1. GENERAL PROVISIONS

1.1 Interpretation

For the purposes of this Plan, the following terms shall have the following meanings:

“Board” means the Board of Directors of the Corporation;

“Common Shares” means the common shares of the Corporation as currently constituted;

“Company” means Declan Resources Inc.;

“Consultant” means an individual who (including an individual whose services are contracted through a personal holding corporation) with whom the Corporation or a subsidiary has a contract for substantial services and who falls within the definition of an “employee” under the rules and policies of the TSX Venture Exchange and the B.C. Securities Commission;

“Eligible Person” means, subject to all applicable laws, any director, officer, employee, part-time employee, Consultant or person engaged in investor relations activities on behalf of the Corporation or any of its subsidiaries;

“Insider” means an insider as defined under the *Securities Act* (British Columbia);

“Option” means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;

“Participant” means Eligible Persons to whom Options have been granted;

“Plan” means this Incentive Share Option Plan;

“Post-Termination Exercise Period” means the period after the Termination Date which shall not exceed a maximum of one year during which a participant’s options shall be exercisable as determined by the Board or the Chief Executive Officer or President of the Corporation;

“Subsidiary” have the meanings ascribed to those terms under the *Business Corporations Act* (British Columbia);

“Tax Obligations” means the Corporation’s withholding, remittance and other funding liabilities under applicable tax law; and

“Termination Date” means the date on which a Participant ceases to be an Eligible Person.

Words imparting the singular number only shall include the plural and *vice versa* and words imparting the masculine shall include the feminine.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

1.2 Purpose

The purpose of this Plan is to advance the interests of the Corporation by (i) providing Eligible Persons with additional incentive, (ii) encouraging stock ownership by such Eligible Persons, (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation, and (iv) encouraging the Eligible Persons to remain with the Corporation or its Subsidiary companies.

1.3 Administration

- (a) The Plan shall be administered by the Board or a committee of the Board duly appointed for this purpose by the Board and consisting of not less than 3 directors. If a committee is appointed for this purpose, all references herein to the Board will be deemed to be references to the committee.
- (b) Subject to the limitations of the Plan, the Board shall have the authority to:
 - (i) grant options to purchase Common Shares to Eligible Persons;
 - (ii) determine the terms, limitations, restrictions and conditions respecting such grants;
 - (iii) interpret the Plan and adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
 - (iv) make all other determinations and take all other actions in connection with the implementation and administration of the Plan including, without limitation, for the purpose of ensuring compliance with Section 1.8 hereof, as it may deem necessary or advisable. The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Corporation and all other persons.

1.4 Shares Reserved

- (a) Under this Rolling Plan, the maximum number of Common Shares which may be reserved for issuance shall be ten percent (10%) of the issued and outstanding Common Shares. Further, provided that disinterested shareholder approval has been obtained, it shall be permissible under this Rolling Plan to issue a number of shares to insiders upon the exercise of stock options, within a one year period that exceeds 10% of the outstanding listed shares (the "Additional Options") (provided that the number of outstanding options at any time does not exceed 10% of the issued shares);
- (b) If there is a change in the outstanding Common Shares by reason of any stock dividend or any recapitalization, amalgamation, subdivision, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject to the prior approval of the relevant stock exchange(s), appropriate substitution or adjustment in:
 - (i) the number or kind of shares or other securities reserved for issuance pursuant to the Plan; and
 - (ii) the number and kind of shares subject to unexercised Options theretofore granted and in the option price of such shares;

provided, however, that no substitution or adjustment shall obligate the Corporation to issue or sell fractional shares. If the Corporation is reorganized, amalgamated with

another corporation, or consolidated, the Board shall make such provision for the protection of the rights of Participants as the Board in its discretion deems appropriate.

1.5 *Limits with Respect to Insiders*

- (a) The maximum number of Common Shares which may be reserved for issuance to Insiders under the Rolling Plan shall be ten percent (10%) of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis) less the aggregate number of Common Shares reserved for issuance to Insiders under any other share compensation arrangement.
- (b) Disinterested shareholder approval shall be obtained for any reduction in the exercise price of the option, where the Eligible Person is an Insider of the Corporation.

1.6 *Amendment and Termination*

- (a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time in accordance with applicable legislation and subject to shareholder and regulatory approval. No such amendment, suspension or termination shall alter or impair any Options or any rights pursuant thereto granted previously to any Participant without the consent of any such Participant. If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules and regulations adopted by the Board and in force at the time of the Plan shall continue in effect during such time as an Option or any rights pursuant thereto remain outstanding.
- (b) With the consent of the affected Participants, the Board may amend or modify any outstanding Option in any manner to the extent that the Board would have had the authority to initially grant such award as so modified or amended, including without limitation, to change the date or dates as of which an Option becomes exercisable, subject to the prior approval of the relevant stock exchanges.

1.7 *Compliance with Legislation*

The Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell and deliver Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange(s) on which the Common Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Common Shares issued or sold hereunder where such grant, issue or sale would require legislation of the Plan or of Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

1.8 *Effective Date*

The Plan shall be effective upon approval of the Plan by the TSX Venture Exchange.

1.9 *Miscellaneous*

- (a) Nothing contained herein shall prevent the Board from adopting other or additional compensation arrangements, subject to any required approval.

- (b) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (c) The Plan does not give any Participant or any employee of the Corporation or any of its subsidiary companies the right or obligation to or to continue to serve as a director, office or employee, as the case may be, of the Corporation or any of its subsidiary companies. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Corporation or any of its subsidiaries other than as specifically provided for in the Plan.
- (d) No fractional Common Shares shall be issued upon the exercise of options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, such Participant shall only have the right to purchase the next lowest whole number of Common Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 2. Options

2.1 *Grants*

Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 2.3 hereof, applicable to the exercise of an Option, including without limitation, the nature and duration of the restrictions, if any, to be imposed upon the sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events, if any, and the duration of the period in which any Participant's rights in respect of Common Shares acquired upon exercise of an Option may be forfeited, with the discretion in the Board to modify or rescind such restrictions in the event of certain corporate developments such as a takeover bid, reorganization, merger, change in capital or amalgamation. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion; however, no more than 5% of the issued shares of the Corporation may be issued to any Eligible Person other than a Consultant in any 12 month period unless disinterested shareholder approval has been obtained. No more than 2% of the issued shares of the Corporation may be issued to any one Consultant in any 12 month period. No more than 2% of the issued shares of the Corporation may be issued to all Employees in the aggregate conducting investor relations activities (as defined in the policies of the TSX Venture Exchange) in any 12 month period.

2.2 *Option Price*

- (a) The Board shall establish the option price at the time each Option is granted, which shall not be less than the Discounted Market Price as calculated and defined in accordance with the policies of the TSX Venture Exchange.
- (b) The option price shall be subject to adjustment in accordance with the provisions of Section 1.4(b) hereof.

2.3 *Exercise of Options*

- (a) Options granted must be exercised no later than ten (10) years commencing from the later of the date of grant or such lesser period as may be determined by the Board.

- (b) In addition to any resale restrictions under any applicable laws, all Options with an option price less than the Market Price as calculated and defined in accordance with the policies of the TSX Venture Exchange are subject to a four (4) month hold period from the date the Options are granted to the Eligible Persons.
- (c) The Board may determine when any Options will become exercisable and may determine that the Option shall be exercisable in installments.
- (d) Options granted to Employees or Consultants conducting investor relations activities must best in stages over 12 months with no more than ¼ of the Options vesting in any three month period.
- (e) Options granted under the Plan shall not be transferable or assignable, whether absolutely or by way of mortgage, pledge, or other change, by the Participant other than by will or by testamentary instrument or the laws of succession, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.
- (f) Except as otherwise determined by the Board, upon the death of a Participant, the legal representative of the Participant may exercise any outstanding portion of the Participant's Options within one year after the date of the Participant's death.
- (g) If a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant will cease to be exercisable after the expiry of the Post Termination Exercise Period. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination. Upon expiration of such Post-Termination Exercise Period all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan.
- (h) Each Option shall be confirmed by an option agreement executed by the Corporation and by the Participant.
- (i) The exercise price of each Common Share purchased under an Option shall be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.
- (j) The exercise of an Option will be subject to the policies, procedures and conditions adopted by the Corporation from time to time to comply with its obligations imposed under applicable tax law, including, without limitation, the Tax Obligations.
- (k) As a condition of exercise of an Option, the Corporation may require the Participant to deliver, in addition to the subscription price in respect of which an Option is exercised, a certified cheque, wire transfer or bank draft payable to the Corporation for the amount determined by the Corporation to be the appropriate amount on the account of the Tax Obligations.

2.4 Company's Representation

Options granted to employees, consultants or management company employees shall be accompanied by a Company representation that the Eligible Person is a bona fide employee, consultant or management company employee as the case may be of the Corporation or its Subsidiary companies.

2.5 *Shareholder Approval*

This Plan is subject to approval by the shareholders of the Corporation at its next annual general meeting of shareholders and until such approval is obtained the Options granted pursuant to this Plan will not be exercisable. When adopted by the Corporation's shareholders this Plan will supersede and replace all previous stock option plans.

SCHEDULE "D"

ALTERATIONS TO ARTICLES – ADVANCE NOTICE PROVISION

14.12 Nomination of Directors

1. Subject only to the *Business Corporations Act*, 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 *Business Corporations Act* or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
 - c. by any person (a "Nominating Shareholder"): (a) who, at the close of business on the date of the giving of the notice provided for below in this Article 11(l) 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 (b) who complies with the notice procedures set forth below in this Article 14.12.
2. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person 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 in accordance with this Article 14.12.
3. To be timely under Article 14.12 (2), 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 close of business on the tenth (10th) day following the Notice Date; and
 - b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under Article 14.12 (2) must set forth:
 - a. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) 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, (d) 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 (e) 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 *Business Corporations Act* and Applicable Securities Laws (as defined below); and

- b. as to the Nominating Shareholder giving the notice: (a) 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 *Business Corporations Act* and Applicable Securities Laws, and (b) 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.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

5. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 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 *Business Corporations Act*. 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.
6. For purposes of this Article 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: (a) 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, (b) any partner of that person, (c) 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, (d) a spouse of such specified person, (e) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (f) 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, (a) 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; (b) 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; (c) 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 (d) 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.
7. Notwithstanding any other provision to this Article 14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this Article 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 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
8. 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 this Article 14.12.

9. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article.

SCHEDULE "E"

ALTERATION TO ARTICLES – ALTERATION OF AUTHORIZED SHARE STRUCTURE

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by directors' resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.