

SGX RESOURCES INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 6, 2018

DATED AS OF APRIL 30, 2018

SGX RESOURCES INC.
401 Bay Street, Suite 2702
Toronto, Ontario, M5H 2Y4

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 6, 2018**

NOTICE is hereby given that the annual and special meeting (“**Meeting**”) of the holders of common shares (“**Shares**”) of SGX Resources Inc. (the “**Company**”) will be held in Toronto Ontario, at 401 Bay Street, Suite 2702, on the 6th day of June, 2018, at 11:00 a.m. (Toronto time) for the following purposes:

- 1) to elect the directors of the Company to hold office until the next annual meeting of the shareholders (“**Shareholders**”) of the Company or until their successors are elected or appointed;
- 2) to re-appoint Scarrow & Donald LLP, as auditor of the Company for the ensuing year and authorize the directors to fix the auditor's remuneration;
- 3) to approve, as required by the policies of the TSX Venture Exchange, the Company's Stock Option Plan;
- 4) to consider, and if thought fit, pass a special resolution, with or without amendment, amending the articles of incorporation of the Company to consolidate the Common Shares at a ratio ranging from three (3) pre-Consolidation Shares for each one (1) Post-Consolidation Share (3:1) to five (5) Pre-Consolidation Shares for each one (1) Post-Consolidation Share (5:1), in the sole discretion of the directors;
- 5) to consider, and if thought fit, pass a special resolution, with or without amendment, amending the articles of incorporation of the Company to effect the change of the Company's name to “55 North Mining Inc.” or such other name as the directors may determine in their sole discretion and may be acceptable to applicable regulatory authorities; and
- 6) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is May 2, 2018 (the “Record Date”). Shareholders of the Company whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

A registered shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with TSX Trust Company 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 or by email to tmxproxysupport@tmx.com, by 11:00 a.m. on June 4, 2018 or not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) preceding the time of the Meeting in the event of any adjournment or postponement thereof.

Shareholders may beneficially own common shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary (“**Non-Registered Shareholders**”). Without specific instructions, intermediaries are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions sufficiently in advance of deadline specified by the broker, intermediary or its agent to ensure they are able to provide voting instructions on your behalf.

The persons named in the enclosed form of proxy are each a director and/or officer of the Company. Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy. If the shareholder wishes to appoint a person

or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name of the shareholder's chosen proxyholder in the space provided in the form of proxy.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

DATED at Toronto, Ontario this 30th day of April, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

"Bruce Reid"

Bruce Reid
Chief Executive Officer

SGX RESOURCES INC.

401 Bay Street, Suite 2702
Toronto, Ontario, M5H 2Y4

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF

TO BE HELD ON JUNE 6, 2018

This management information circular (this “**Circular**”) is being furnished in connection with the solicitation, by management of SGX Resources Inc. (the “**Company**”), of proxies for the annual and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of the Company to be held on Wednesday, June 6, 2018 at the registered office of the Company located at 401 Bay Street, Suite 2702, Toronto, Ontario, M5H 2Y4 at 11:00 a.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the enclosed notice of meeting (the “**Notice**”).

Unless otherwise indicated, the information contained in this Circular is given as at April 30, 2018.

Unless otherwise indicated, all references to “dollars” or “\$” means Canadian dollars.

SOLICITATION OF PROXIES

Although, it is expected that management’s solicitation of proxies for the Meeting will be made primarily by mail, proxies may be solicited by directors, officers and employees of the Company personally or by telephone, fax, email or other similar means of communication. **This solicitation of proxies for the Meeting is being made by or on behalf of the directors and management of the Company and the Company will bear the costs of this solicitation of proxies for the Meeting.**

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with the transfer agent, investment dealers, intermediaries, custodians, depositories and depository participants and other nominees to forward solicitation materials to the beneficial owners of the common shares (the “**Shares**”) of the Company. The Company will provide, without any cost to such person, upon request to the Chief Executive Officer of the Company, additional copies of the foregoing documents for this purpose.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy accompanying this Proxy Circular are Bruce Reid or, failing him, Jennifer Boyle.

A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons named in the form of proxy accompanying this Proxy Circular to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed form of proxy the name of the person to be designated and striking out the names of the persons named in the form of proxy and inserting the name of the person to be appointed as proxyholder in the blank space provided on the form of proxy, or by completing another proper form of proxy. Such Shareholder should notify the nominee of the appointment, obtain his consent to act as proxy and should provide instructions on how the Shareholder's Shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the form of proxy.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and deposited with TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, or by email to tmxproxysupport@tmx.com or by facsimile to 416-595-9593 on or before 11:00 am on June 4, 2018 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

A Proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In accordance with section 148(4) of the Act, in addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at TSX Trust Company, 301-100 Adelaide Street West Toronto, Ontario, M5H 4H1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to public shareholders of the Company since most public shareholders do not hold shares in their own name. Shareholders who do not hold their Shares in their own name (referred to herein as “Beneficial Shareholders”) are advised that only Proxies from shareholders of record can be recognized and voted upon at the Meeting. If shares are listed in the account statement provided to the shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder’s name. Such shares are more likely held under the name of the broker or a broker’s agent clearing house. Applicable corporate law provides that Beneficial Shareholders may request that the Beneficial Shareholder or the Beneficial Shareholder’s nominee be appointed as the proxyholder for such shares. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against or withheld, as applicable) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person in advance of the Meeting.**

The Requisitioner does not know whom the shares registered to CDS & Co. are held for. Therefore, Beneficial Shareholders cannot be recognized by the Company at the Meeting. In order to ensure that their shares are voted at the Meeting, Beneficial Shareholders should carefully follow the return instructions. Often, the form of proxy supplied to Beneficial Shareholders by their brokers is identical to that provided to registered shareholders, however, its purpose is limited to instructing the brokers/registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of the brokers now delegate the job of obtaining instructions from clients and voting shares according to their client’s instructions to a corporation named Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically mails proxy instruction forms to the Beneficial Shareholders and asks Beneficial Shareholders to return these proxy instruction forms to Broadridge, which may be by mail, by internet or by telephone. Broadridge then tabulates the results of all instructions received and then votes the shares to be voted at the Meeting according to the instructions received. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction form to vote shares at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same in accordance with the instructions provided, well in advance of the Meeting.

All references to shareholders in this Proxy Circular and the accompanying proxy and Notice are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders that produce proof of their identity.

DISTRIBUTION OF SECURITYHOLDER MATERIALS TO NON-OBJECTING BENEFICIAL OWNERS

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

PROVISIONS RELATING TO VOTING OF PROXIES

The Shares represented by proxy in the enclosed form will be voted or withheld from voting by the designated proxy holder in accordance with the instructions of the Shareholder appointing him. If there is no direction by the Shareholder, those Shares will be voted for all proposals set out in the form of proxy. The form of proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice, or any other matters, which may properly come before the Meeting. At the time of the printing of this Proxy Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice.

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

Except as disclosed herein, no Director or Senior Officer of the Company nor proposed nominee for election of Director, nor each of their respective associates or affiliates, are aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors. In March, 2018, Bruce Reid, a director and senior officer of the Company, loaned \$115,000 to the Company. The loan is non interest bearing, is not secured and payable on demand.

VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Shares. Each Share entitles the holder of record to notice of and one vote on all matters to come before the Meeting. No group of shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Shares of the Company.

The directors of the Company have fixed May 2, 2018 as the record date (the “**Record Date**”) for determination of the persons entitled to receive notice of the Meeting. Shareholders of record as of the Record Date are entitled to vote their Shares except to the extent that they have transferred the ownership of any of their Shares after the Record Date, and the transferees of those Shares produce properly endorsed share certificates or otherwise establish that they own the Shares, and demand, not later than ten (10) days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their Shares at the Meeting.

As of the date of this Circular, 135,194,169 Shares are issued and outstanding.

To the knowledge of the management of the Company, based on publicly available information, as at the Record Date, no person had ownership or control over more than 10% of the outstanding common shares of the Company, other than the Klondex Canada Ltd., which owns or controls 43,047,256 common shares, which represents 31.84% of the issued common shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Interpretation

National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”) defines “Executive Officer” to mean, for a reporting issuer, an individual who is,

- (a) the chair, vice-chair, or president;
- (b) a chief executive officer or chief financial officer;
- (c) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (d) performing a policy-making function in respect of the issuer.

Form 51-102F6 - *Statement of Executive Compensation* (in respect of financial years ending on or after December 31, 2008) (“**Form 51-102F6**”) further provides the following:

- (a) “CEO” means each individual who acted as chief executive officer of the Company or acted in a similar capacity, for any part of the most recently completed financial year;
- (b) “CFO” means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;
- (c) “Named Executive Officers” or “NEOs” means the following individuals:
 - (i) CEO;
 - (ii) CFO;
 - (iii) each of the Company’s three most highly compensated executive officers, other than the CEO and CFO at the end of the most recently completed financial year whose total compensation, individually, exceeds \$150,000; and
 - (iv) each individual who would be a NEO under (iii) except that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide information about our executive compensation objectives and processes and to discuss compensation decisions relating to SGX’s NEOs listed in the Summary Compensation Table that follows.

On January 10, 2017, at an annual and special meeting of shareholders requisitioned by Klondex Canada Ltd., a significant shareholder in the Company, a new Board of Directors was elected and new Management was subsequently appointed. During our fiscal year ended December 31, 2017, the following individuals were SGX’s NEOs:

- Bruce Reid, Chairman, President and Chief Executive Officer (since January 10, 2017); and
- Julio DiGirolamo, Chief Financial Officer (since January 10, 2017).

SGX is a mineral exploration and development company engaged in the acquisition, exploration and evaluation of mineral properties. SGX has no significant revenues from operations and has, since its incorporation, operated administratively with limited financial resources to ensure that funds are available to complete scheduled exploration and drilling programs. As a result, our Board of Directors has to consider not only the financial situation of SGX at the time of determination of executive compensation, but also the estimated financial situation of SGX in the mid- and long-term. An important element of executive compensation is that of incentive stock options, which do not require cash disbursement by SGX.

Additional information about SGX and its operations is available in our audited financial statements and Management’s Discussion & Analysis for the year ended December 31, 2017, which have been electronically filed with regulators and are available for viewing under SGX’s Issuer Profile at the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Compensation Objectives and Principles

The primary goal of our executive compensation process is to attract and retain the key executives necessary for our long term success, to encourage executives to further the development of SGX and our operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by SGX are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options. Our directors are of the view that all of these elements should be considered when determining executive compensation, rather than any single element.

Compensation Process

SGX’s Board of Directors, as a whole, is responsible for determining all forms of compensation, including long-term

incentives in the form of stock options to be granted to our Named Executive Officers, as well as to our directors, and for reviewing the recommendations respecting compensation for any other officers of SGX from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining compensation, the Board of Directors considers: (i) recruiting and retaining executives critical to SGX's success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our shareholders; and (iv) rewarding performance, both on an individual basis and with respect to our operations in general.

Base Salary and/or Consulting Fees

SGX is an exploratory stage mining company and does not anticipate generating revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by our Board of Directors to be appropriate in the evaluation of corporate or Named Executive Officer performance. The compensation of our executive officers is based, in substantial part, on industry compensation practices, trends in the mining industry, as well as achievement in raising capital and follow through on SGX's business plans and objectives.

SGX provides Named Executive Officers with base salaries and/or consulting fees, which represent their minimum compensation for services rendered during the fiscal year. Named Executive Officers' base salaries or consulting fees depend on the scope of their experience, responsibilities, leadership skills and performance. Base salaries and/or consulting fees are reviewed annually by our Board of Directors. In addition to the above factors, decisions regarding salary or consulting fee amounts are impacted by each Named Executive Officers' current salary or fee, general industry trends and practices competitiveness, and SGX's existing financial resources.

Option Based Awards

Options to purchase common shares of SGX are intended to align the interests of our directors and executive officers with those of our shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation SGX would otherwise have to pay. SGX's Stock Option Plan is administered by our Board of Directors. In establishing the number of the incentive stock options to be granted to our Named Executive Officers, our Board of Directors considers the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation. Further, the Board of Directors also takes into account previous grants of options, the overall number of options that are outstanding relative to the number of outstanding common shares and the amount and term of any such grants.

See "Incentive Plan Awards – Outstanding Option-Based and Share-Based Awards" below, as well – Business of the Meeting – Annual Approval of Stock Option Plan and Securities Authorized for Issuance Under Equity Compensation Plans.

Benefits and Perquisites

SGX does not, as of the date of this Circular, offer any benefits or perquisites to its Named Executive Officers other than entitlement to incentive stock options as otherwise disclosed and discussed herein.

Risks Associated with SGX's Compensation Practises

SGX's Board of Directors has not considered the implications of any risks to SGX associated with decisions regarding compensation of SGX's executive officers.

Hedging by Named Executive Officers or Directors

SGX has not, as yet, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted or awarded as compensation or held, directly or indirectly, by executive officers or directors.

SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned by, paid to, or accrued and payable to, our Named Executive Officers during the fiscal years ended December 31, 2017, 2016 and 2015. Amounts reported in the table below are in Canadian dollars.

Name and principal position	Fiscal Year ended Dec 31	Salary/Fee (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Bruce Reid ⁽¹⁾ <i>President & Chief Executive Officer</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julio DiGirolamo ⁽²⁾ <i>Chief Financial Officer</i>	2017	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dale Ginn ⁽³⁾ <i>Former Chief Executive Officer</i>	2017	N/A	Nil	Nil	N/A	N/A	N/A	N/A	N/A
	2016	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
	2015	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Chris Hopkins ⁽⁵⁾ <i>Former Chief Financial Officer</i>	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
	2015	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)

(1) Mr. Reid served as Chief Executive Officer and has served as a director from January 10, 2017.

(2) Mr. DiGirolamo served as Chief Financial Officer from January 10, 2017.

(3) Mr. Dale Ginn served as Chief Executive Officer until May 15, 2016.

(4) We are unable to determine his compensation from accessible corporate records or public filings.

(5) Based on accessible public records Mr. Hopkins unofficially performed in the capacity of Chief Financial Officer from some point in 2015 and ceased performing this function in the spring of 2016.

Incentive Plan Awards – Outstanding Option-Based Awards and Share-Based Awards

The following table sets out details of option-based awards granted to the Named Executive Officers by SGX that were outstanding as at the fiscal year ended December 31, 2017.

Named Executive Officer	Option-based Awards outstanding at December 31, 2017				Share-based Awards outstanding at December 31, 2017		
	Number of shares underlying unexercised options (#)	Option exercise price per common share (\$)	Option expiry 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 (\$)
Bruce Reid	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julio DiGirolamo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dale Ginn	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Chris Hopkins	N/A	N/A	N/A	N/A	N/A	N/A	N/A

No other share-based or non-equity incentive plan compensation has been awarded to the NEOs by SGX.

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. The value of options exercised is the difference between the option exercise price and the market price of the underlying security on the date of exercise.

No options have been granted to the Company’s Named Executive Officers or anyone else. There are currently no option-based awards outstanding.

Named Executive Officer	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 (\$)
Bruce Reid	Nil	N/A	N/A
Julio DiGirolamo	Nil	N/A	N/A
Dale Ginn	Nil	N/A	N/A
Chris Hopkins	Nil	N/A	N/A

TERMINATION AND CHANGE OF CONTROL BENEFITS

As of the date of this Circular, SGX is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to NEOs at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of SGX or a change in a NEO’s responsibilities.

DIRECTOR COMPENSATION

The following table sets forth information concerning the compensation in respect of the directors of the Company, other than the Named Executive Officers who may also serve as directors, during the financial year ended December

31, 2017. For details of the compensation for Bruce Reid, see the disclosure above in the “Summary Compensation Table”.

Name of Director	Director Fees earned⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jennifer Boyle	Nil	N/A	Nil	Nil	Nil	Nil	Nil
William Ferreira	Nil	N/A	Nil	Nil	Nil	Nil	Nil
K. Sethu Raman	Nil	N/A	Nil	Nil	Nil	Nil	Nil
Brien Sirola	Nil	N/A	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards - Outstanding Option-Based Awards

The following table sets out details of option-based awards granted to non-executive directors by SGX that were outstanding at the fiscal year ended December 31, 2017.

Name	Option-based Awards outstanding at December 31, 2017			Share-based Awards outstanding at December 31, 2017			
	Number of common shares underlying unexercised options (#)	Option exercise price per common share (\$)	Option expiry 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 (\$)
Jennifer Boyle	Nil	N/A	N/A	Nil	N/A	N/A	N/A
William Ferreira	Nil	N/A	N/A	Nil	N/A	N/A	N/A
K. Sethu Raman	Nil	N/A	N/A	Nil	N/A	N/A	N/A
Brien Sirola	Nil	N/A	N/A	Nil	N/A	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. The value of options exercised is the difference between the option exercise price and the market price of the underlying security on the date of exercise.

No value vested or was earned by SGX’s executive officers or directors during SGX’s year ended December 31, 2017, as a result of stock options vesting or being exercised.

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 (\$)
Jim Fairbairn	Nil	N/A	N/A
Jennifer Boyle	Nil	N/A	N/A
William Ferreira	Nil	N/A	N/A
K. Sethu Raman	Nil	N/A	N/A
Brien Sirola	Nil	N/A	N/A

BUSINESS OF THE MEETING

Audited Financial Statements

The Company's financial statements for the fiscal year ended December 31, 2017, and the report of the auditors thereon, have been filed on www.sedar.com and have been sent to registered and beneficial shareholders who have requested copies thereof using the request form accompanying this Circular and will be submitted to the meeting of shareholders. Receipt at the Meeting of the auditors' report and the Company's financial statements for this fiscal period will not constitute approval or disapproval of any matters referred to therein, and no action is required to be taken by Shareholders thereon.

Election of Directors

Shareholders will be asked to elect five (5) directors at the Meeting. Each director elected will hold office until the close of the next annual meeting of the Shareholders or until his successor is appointed or elected.

The following table and the notes thereto set out the names of each nominee for election as a director of the Company as well as their province of residence, principal occupation, business or employment, the year they first became a director of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name, Position, Province of Residence	Director Since	Principal Occupation during the Past Five Years	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised
Jennifer Boyle City of Kawartha Lakes, ON, Canada ⁽¹⁾	01/2017	Corporate Finance and General Counsel, Velocity Trade Group of Companies (Mar. 2014 to Present); Director of Bunker Hill Mining Corp. (since December 2017); President (since January 2018), Director and Founder of Satori Resources Inc. (Oct. 2011 to present); Co-Founder, Chief Executive Officer, President & Director of Takara Resources Inc. (Apr. 2005 to Dec. 2013)	Nil
William Ferreira Winnipeg, MB, Canada	11/2011	President of W. S. Ferreira Ltd., an exploration company	690,348
K. Sethu Raman Toronto, ON, Canada	08/2012	Independent mining consultant to corporations, equity funds and private investors	900,000

Bruce Reid Toronto, ON, Canada ⁽¹⁾	01/2018 Also 8/2015 to 5/2016	President, CEO and Chairman of Bunker Hill Mining Corp. (2017-current); President and CEO/Chairman of Carlisle Goldfields Limited (2009-2016); President and CEO of Satori Resources Inc. (2015-2016); Executive Chairman of Satori (2016 – current)	Nil
Brien Sirola Barrie, ON, Canada ⁽¹⁾	01/2018	President and Director, SAE Inc. (1990 – current); President and Director Shoreacres Explorations Ltd. (1980 – current)	2,550,000

(1) Member of Audit Committee

Director Profiles

Further biographical information with respect to each nominee for election as a director is set forth below:

Jennifer Boyle

Ms. Boyle is General Counsel / Corporate Finance for the Velocity Trade group of companies and sits as a member of the board of directors of Bunker Hill Mining Corp., Satori Resources Inc., KWG Resources Inc., and SGX Resources Inc. Ms. Boyle is a former securities lawyer who has been working at founding or re-organizing early-stage junior resource issuers, and at developing various growth strategies through M&A activities. Formerly, Ms. Boyle was a director of Carlisle Goldfields Limited (2012 to 2016) until it was acquired by Alamos Gold in January 2016. Ms. Boyle sat on the board of directors of Nevada Exploration Inc. (2009-2015), was a co-founding director and Executive Vice President of Canadian Royalties Inc. (1997 to 2006), a co-founder and Executive Vice President of Golden Valley Mines Ltd. (2002 to 2005), the CEO of St. Eugene Mining Corporation prior to its sale to Claude Resources Inc. (2009 to 2012), and co-founder of Takara Resources Inc. (2005-2013).

William Ferreira

Mr. Ferreira is a current director of the Company and an exploration geologist with over 30 years experience in gold, base-metal and diamond exploration in Canada. Mr. Ferreira holds a Master of Science degree from the University of Manitoba and a bachelor of science degree from the University of Minnesota, Duluth. Mr. Ferreira's employment experience includes work for Noranda Exploration Canada, Esso Minerals Canada, Getty Mines, Falconbridge Ltd., Granges Exploration, Canmine Resources Corp. and San Gold Corp. Mr. Ferreira is past president of the Manitoba Prospectors and Developers Association. Mr. Ferreira is currently a member of the Association of Professional Engineers and Geoscientists of the Province of Manitoba, and is a director of another publicly listed company. William served on the audit committee of SGX Resources Inc.

K. Sethu Raman

Dr. K. Sethu Raman is a serial mine finder and a successful entrepreneur with more than 46 years of international experience in all phases of exploration, mine development, acquisitions and operations as well as experience in financial and legal areas. He has pioneered many new exploration concepts and strategies which have led to the discovery of eleven significant gold, silver, copper, zinc, phosphate and uranium deposits located near established mining camps, seven of which went on to become producing gold mines in Canada. As President and CEO of Holmer Gold Mines Ltd (1985-2004) and Director and Advisor to Lake Shore Gold Corp (2004-2016), Dr. Raman has been the driving force behind the discovery and development of the Timmins West Gold Mine Trend in a previously unknown faulted extension of the Timmins Mining Camp. This Trend hosts several gold deposits and profitable mines operated by Lake Shore Gold with an annual production of 180,000 ounces of gold in 2015. On April 1, 2016 Lake Shore accepted a friendly \$945M takeover offer by Tahoe Resources Inc.

Dr. Raman previously spent 13 years with Campbell Chibougamau Mines/Campbell Resources, Royex Gold Mining and International Corona Resources Group of companies controlled by Ned Goodman. He joined as a Research Geologist and held various management positions including Vice President from 1980 to 1986. Here he played a key role in the discovery and development of six gold mines in Quebec, Ontario and the Canadian Arctic. Subsequently

these companies were sold to Home Stake Mining (now Barrick Gold) and Patino Mining Corp. He holds a Ph.D. in Geology from Carleton University and a UNESCO Post-Graduate Diploma from the University of Vienna, Austria.

Bruce Reid

Mr. Reid is the President and Chief Executive Officer of Bunker Hill Mining Corp., as well as a Director. Mr. Reid was most recently the Chairman, President and Chief Executive Officer of the Carlisle Goldfields from January 2010 until January 2016 when the Company was purchased by Alamos Gold Inc. Mr. Reid was also the Founder, President and Chief Executive Officer of U.S. Silver Corp. from June 2005 to early 2008. Mr. Reid is also currently a Director of Satori Resources, Canuc Resources and several other Public Mining Companies. Previous to this Mr. Reid was intimately involved in the startup and successful build and sale of numerous Mining Companies such as Western Goldfields, Patricia Mining and High Plains Uranium. Mr. Reid has extensive experience in Corporate Finance and Mining Investment Research with a twenty-year Career in the investment business with such firms as Nesbitt Thomson, Loewen Ondaatje McCutcheon and Yorkton Securities.

Brien Sirola

Brien Sirola, P. Eng. is the President and a board member of SAE Inc. an Ontario based engineering and manufacturing corporation specializing in the design and material supply of custom electrical grounding and corrosion control systems for use in industrial, mining and pipeline applications. The corporation functions worldwide and has been active since 1990. In addition, Mr. Sirola is President and a board member of Shoreacres Explorations Ltd. a private Ontario based mineral exploration corporation, which was founded in 1980. Mr. Sirola holds an engineering degree from Michigan Technological University 1970 and P. Eng. status in Ontario and Alberta.

Additional Information Regarding the Directors

Each of the Directors has consented to being named as a nominee in this Circular. It is not contemplated that any of the nominees will be unable to stand for election to the Board of Directors of the Company or to serve as a director, if elected. If for any reason, any of the nominees do not stand for election or are unable to serve as such, proxies in favour of the nominees will be voted for another nominee in the discretion of the persons named in the enclosed form of proxy or VIF unless the Shareholder has specified in his proxy that his Shares are to be withheld from voting in the election of the directors.

Other Boards of Reporting Issuers

The following directors of the Company presently serve as directors of other reporting issuers as follows:

Director	Reporting Issuer
Jennifer Boyle	Bunker Hill Mining Corp., Satori Resources Inc. and KWG Resources Inc.
William Ferreira	Arctic Star Exploration Corp.
K. Sethu Raman	CBD Med Research Corp., Northern Graphite Corporation
Bruce Reid	Bunker Hill Mining Corp., Canuc Resources Corp., KWG Resources Inc., Satori Resources Inc.
Brien Sirola	N/A

Cease Trade Orders and Bankruptcies

Other than as disclosed below, to the knowledge of the Company, no director is, as at the date of this Proxy Circular, or has been, within 10 years before the date of this Circular:

- a) a director, chief executive officer or chief financial officer of any corporation that:
 - i) was subject to an order that was issued while a director was acting in the capacity as director, chief executive officer or chief financial officer; or

- ii) was subject to an order that was issued after a director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) a director or executive officer of any corporation that, while such person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such shareholder nominee.

For the purposes of section (a) above, the term “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, except as otherwise noted below:

William Ferreira

Mr. Ferreira is a director the Company. The Company did not file its annual financial statements and annual MD&A for the fourth quarter ended December 31, 2015 on time. On May 9, 2016 the Manitoba Securities Commission (“MSC”) issued a Cease Trade Order for failing to file the documents within the required time period. Upon revocation of the Cease Trade Order, the Company’s shares will remain suspended until the Company meets TSX Venture Exchange requirements. Members are prohibited from trading in the securities of the companies during the period of the suspension or until further notice.

K. Sethu Raman

Mr. Raman is a director the Company. The Company did not file its annual financial statements and annual MD&A for the fourth quarter ended December 31, 2015 on time. On May 9, 2016 the Manitoba Securities Commission (“MSC”) issued a Cease Trade Order for failing to file the documents within the required time period. Upon revocation of the Cease Trade Order, the Company’s shares will remain suspended until the Company meets TSX Venture Exchange requirements. Members are prohibited from trading in the securities of the companies during the period of the suspension or until further notice.

Bruce Reid

Mr. Reid was a director of the Company between August 31, 2015 and April 29, 2016. The Company did not file its annual financial statements and annual MD&A for the fourth quarter ended December 31, 2015 on time. On May 9, 2016 the Manitoba Securities Commission (“MSC”) issued a Cease Trade Order for failing to file the documents within the required time period. Upon revocation of the Cease Trade Order, the Company’s shares will remain suspended until the Company meets TSX Venture Exchange requirements. Members are prohibited from trading in the securities of the companies during the period of the suspension or until further notice.

Mr. Reid served as an independent non-executive director of Asia Now Resources Corp. (“ANR”) from June 2012 to January 2015. Subsequent to his resignation, after much work and deliberation, the Special Committee of the Board of Directors determined that it was in the company’s best interests to facilitate a “going private” transaction whereby its majority shareholder and secured debtholder, China Gold Pte. Ltd., would purchase the ANR shares it did not already own. In July 2015, a sufficient number of ANR’s minority shareholders voted against this proposal thereby blocking approval of the proposed transaction and ultimately resulting in a default on the secured debt. Subsequently, a receiver was appointed in August 2015 with a view to liquidating ANR’s remaining assets. This process was completed and settled fairly through the courts in Ontario.

Penalties and Sanctions

To the knowledge of the Company, as of the date of this Circular, no proposed director has been subject to:

- (a) 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; or
- (b) 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.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year, however, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR OF THE COMPANY FOR ANY REASON AT OR PRIOR TO THE MEETING OR ANY ADJOURNMENT THEREOF, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR THE ELECTION OF ANY PERSON OR PERSONS IN PLACE OF ANY NOMINEES UNABLE TO SERVE AT THE DISCRETION OF THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

APPOINTMENT OF AUDITORS

Shareholders are being asked to re-appoint Scarrow & Donald LLP to act as auditors of the Company until the next annual meeting of Shareholders and to authorize the board of directors of the Company to fix their remuneration. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF SCARROW & DONALD LLP, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE APPOINTMENT OF SCARROW & DONALD LLP.**

Scarrow & Donald LLP were first appointed as auditors for the Company in 2010.

SPECIAL BUSINESS

Re-approval of Stock Option Plan

At the Meeting, the Shareholders will be asked to re-approve the Stock Option Plan. The following is a summary of the material terms of the Stock Option Plan. A copy of the Stock Option Plan is attached hereto as Schedule "B".

The Stock Option Plan is administered by the Board and all option issuances are approved by the Board. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging participants in the Stock Option Plan ("Participants") to acquire Shares thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and providing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Pursuant to the Stock Option Plan, the Company may grant options to purchase Shares to a Director or a director of a subsidiary of the Company, a senior officer of the Company or a subsidiary of the Company, an employee of the Company or a subsidiary of the Company, management company employees of the Company or a subsidiary of the Company and consultants retained by the Company, including investor relations consultants. The Directors will set the exercise price at the time that an option is granted under the Stock Option Plan. The options will have a maximum term of five years from the date of grant. 10% of the issued and outstanding Shares may be reserved for issuance pursuant to the Stock Option Plan.

The Stock Option Plan provides that the number of Shares reserved for issuance pursuant to the Stock Option Plan in respect of all options granted to any one Participant, other than a consultant or a person employed in investor relations, together with any other previously established or proposed security compensation arrangement of the Company, at any one time shall not exceed 5% of the issued and outstanding Shares in the capital of the Company from time to

time. The number of Shares reserved for issuance pursuant to the Stock Option Plan in respect of all options granted to any one Participant that is a consultant or a person involved in investor relations at any one time shall not exceed 2% of the issued and outstanding Shares in the capital of the Company from time to time. The Stock Option Plan also provides that the number of Shares reserved for issuance pursuant to the Stock Option Plan together with any other previously established or proposed security compensation arrangement of the Company, at any one time shall not exceed 10% of the issued and outstanding Shares in the capital of the Company from time to time.

The exercise price of the Shares subject to each option shall be determined by the Board at the time that the option is granted. In no event shall such exercise price be lower than the last daily closing price of the Shares on the day before the grant of the options. Once the exercise price has been determined by the Board, the exercise price of an option may be reduced upon receipt of the approval of the Board, provided that in the case of options held by insiders of the Company, the exercise price of an option may be reduced only if disinterested Shareholder approval is obtained.

The number of Shares issuable to insiders of the Company, at any time, under the Stock Option Plan and all other security-based compensation arrangements of the Company, cannot exceed 10% of the issued and outstanding Shares (calculated on a non-diluted basis). The number of Shares issued to insiders of the Company within any one year period, under the Stock Option Plan and all other security-based compensation arrangements of the Company, cannot exceed 10% of the issued and outstanding Shares (calculated on a non-diluted basis).

If a Participant shall cease to be a Director, a director of a subsidiary of the Company, a senior officer of the Company or a subsidiary of the Company, an employee of the Company or a subsidiary of the Company, a management company employee of the Company or a subsidiary of the Company or a consultant for any reason (other than death), such Participant may then only exercise his or her option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to hold such office.

In the event of the death of a Participant, the options previously granted to him or her shall be exercisable only within the first year after such death and then only: (a) by the person or persons to whom the Participant's rights under the options shall pass by the Participant's will or the laws of descent and distribution; and (b) if and to the extent that such Participant was entitled to exercise the option at the date of his or her death.

Subject to any vesting restrictions imposed by the relevant exchange upon which the Shares are listed or applicable securities laws, the Board may, in its sole discretion, determine the time period(s) during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Stock Option Plan shall not be transferable or assignable. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

The Board has the power to amend, modify, suspend or terminate the Stock Option Plan, subject to any necessary regulatory and Shareholder approvals. Subject to the receipt of any necessary regulatory or Shareholder approvals, the Board may also at any time amend or revise the terms of any options granted under the Stock Option Plan from time to time. The Board has the authority to make amendments to the Stock Option Plan without requiring Shareholder approval that: (i) are regarded as "housekeeping" in nature; (ii) change the vesting provisions of an option or the Plan; or (iii) change the termination provisions of an option or the Stock Option Plan so long as such change does not extend the expiry date of any option.

Notwithstanding the foregoing, the following amendments to the Stock Option Plan may not be made without the approval of the Shareholders: (i) an increase to the maximum number of options that may be granted or reserved for granting pursuant to the Stock Option Plan; (ii) a change to the amendment provisions of the Stock Option Plan; (iii) a reduction of the exercise price of options held by insiders of the Company; (iv) an extension to the term of options held by insiders of the Company; and (v) a change to the insider participation limits of the Stock Option Plan.

If approval of the Stock Option Plan or a modified version thereof is not obtained, the Company will not proceed to grant options under the Stock Option Plan. The Stock Option Plan will be available for inspection at the Meeting. As the Stock Option Plan is intended to align the interests of management, employees and the Directors with the interests

of the Shareholders and to provide added incentive to the optionees, the Directors recommend that the Shareholders re-approve the Stock Option Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION. In the event shareholder approval is not given, the stock option plan will be terminated. In order to approve the stock option plan, at least a majority of the votes cast at the meeting by holders of Common Shares must be voted in favour of the resolution.

Consolidation of Common Shares

The Company proposes to amend its articles of incorporation to effect a consolidation (the “**Consolidation**”) of its Common Shares at a ratio ranging from three (3) pre-Consolidation Shares for each one (1) Post-Consolidation Share (3:1) to five (5) Pre-Consolidation Shares for each one (1) Post-Consolidation Share (5:1), in the sole discretion of the directors.

As of the date hereof, the Company has 135,194,169 Common Shares issued and outstanding. The proposed Consolidation will reduce the number of issued and outstanding Common Shares to approximately 45,064,723 Common Shares in the event of a 3:1 Consolidation and 27,028,833 Common Shares in the event of a 5:1 Consolidation. No fractional shares of the Company will be issued, and any fractional shares resulting from the Consolidation will be deemed to have been have been tendered by the registered owner to the Company for cancellation.

Notwithstanding the approval of the Consolidation resolution below by the shareholders, in the event that the Company’s directors decide that the amendment of the articles of incorporation is not desirable or necessary, the Company’s capital will remain the same.

In the event the articles of incorporation of the Company are amended to effect the Consolidation, shareholders will be informed by mail and asked to deliver to the transfer agent, the share certificates they currently hold, accompanied by an appropriately completed letter of transmittal, a copy of which will be concurrently delivered to shareholders. The Company will provide shareholders with a new share certificate reflecting the Consolidation. The new share certificates will be mailed to shareholders as soon as possible, after the filing of articles of amendment, upon shareholders delivering to the transfer agent their share certificates and letter of transmittal. Shareholders whose shares are held otherwise than in their name will have to contact their broker or other representative in whose name the shares are held in order to ensure the certificates are appropriately exchanged.

The following is the text of the Consolidation Resolution which will be put forward at the Meeting for approval by the shareholders of the Company:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) the Consolidation of the Company’s Common Shares at a ratio ranging from three (3) pre-Consolidation Shares for each one (1) Post-Consolidation Share (3:1) to five (5) Pre-Consolidation Shares for each one (1) Post-Consolidation Share (5:1), in the sole discretion of the directors, is hereby authorized and approved;
- (2) notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby, authorized and empowered, without further approval of the shareholders of the Company, to revoke this resolution at any time prior to the filing of articles of amendment to consolidate the Company’s Common Shares and to determine not to proceed with Consolidation; and
- (3) any director and/or officer of the Company be and such director and/or officer of the Company is hereby, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in

the opinion of such director and/or officer, may be necessary or desirable in order to fulfil the intent of the foregoing paragraphs of this resolution.”

In order to be effected, the Consolidation resolution below must be approved by two-thirds of the votes cast at the Meeting in person or by proxy. If the resolution does not receive the requisite shareholder approval, the Company will not proceed with the Consolidation. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ABOVE AMENDMENT TO THE ARTICLES OF INCORPORATION TO CONSOLIDATE THE COMMON SHARES OF THE COMPANY AS SET OUT ABOVE, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

Change of Name

Shareholders of the Company are being asked to pass a special resolution authorizing the Company to amend its articles of incorporation changing the name of the Company to “55 North Mining Inc.” or such other name as the directors of the Company may determine and may be acceptable to applicable regulatory authorities.

Management is requesting that shareholders authorize the change of the Company’s name to “55 North Mining Inc.” for sales and marketing purposes. In the event that the directors decide that the amendment of the articles of incorporation is not necessary, the Company’s name will remain the same.

In the event the articles of incorporation of the Company are amended shareholders will be informed by mail and asked to deliver to the transfer agent, the share certificates they then hold, accompanied by an appropriately completed letter of transmittal, a copy of which will be concurrently delivered to shareholders. The Company will provide shareholders with a new share certificate reflecting the name change. The new share certificates will be mailed to shareholders as soon as possible, after the filing of articles of amendment, upon shareholders delivering to the transfer agent their share certificates and letter of transmittal. Shareholders whose shares are held otherwise than in their name will have to contact their broker or other representative in whose name the shares are held in order to ensure the certificates are appropriately exchanged.

The following is the text of the name change resolution which will be put forward at this Meeting for approval by shareholders of the Company.

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) the change of the Company’s name to 55 North Mining Inc. or such other name as the directors may determine in their sole discretion as may be acceptable to applicable regulatory authorities is hereby authorized and approved;
- (2) notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby, authorized and empowered, without further approval of the shareholders of the Company, to revoke this resolution at any time prior to the filing of articles of amendment to change Company’s name and to determine not to proceed with name change; and
- (3) any director and/or officer of the Company be and such director and/or officer of the Company is hereby, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director and/or officer, may be necessary or desirable in order to fulfil the intent of the foregoing paragraphs of this resolution.”

If the resolution does not receive the requisite shareholder approval, the Company will continue with its present name.

In order to be effected, the name change resolution below must be approved by two-thirds of the votes cast at the Meeting in person or by proxy. If the resolution does not receive the requisite shareholder approval, the Company will continue with its present name. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED**

FOR THE APPROVAL OF THE ABOVE AMENDMENT TO THE ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY AS SET OUT ABOVE, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

AUDIT COMMITTEE

NI 52-110 requires that certain information regarding the audit committee of a “venture issuer” (as that term is defined in NI 52-110) be included in this Circular sent to shareholders in connection with this annual Meeting.

Audit Committee Charter

The full text of the Corporation’s Audit Committee charter is attached hereto as Schedule “A” to this Circular.

Composition of the Audit Committee

The members of the Audit Committee are Jennifer Boyle, Brien Sirola and Bruce Reid, all of whom are considered financially literate pursuant to NI 52-110 – *Audit Committees* (“NI 52-110”). Mr. Reid has not been determined by the Board of Directors to be “independent” as such term is defined by NI 52-110. See Business of the Meeting-Election of Directors for a summary biography of each member of the Audit Committee.

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Audit Committee and, where applicable, the Company’s Board, on a case-by-case basis.

Auditor Service Fees

The following table provides detail in respect of audit, audit related, tax and other fees billed by the Company to the external auditors for professional services provided to the Company and its subsidiaries:

	2017	2016
Audit fees	28,000	Nil
Audit-related fees	Nil	Nil
Tax fees	2,000	Nil
Other fees	Nil	Nil
Total	30,000	Nil

Audit Fees: Audit fees were paid for professional services rendered by the auditors for the audit of the Company’s annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees: Audit-related fees were paid for professional services rendered by the auditors and were comprised primarily of the reading of quarterly financial statements.

Tax Fees: Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services included preparing and/or reviewing tax returns.

All Other Fees: Fees such as those payable for professional services which include bookkeeping, accounting advice, primarily relating to preparation of IFRS compliant financial statements, and preparation of management’s discussion and analysis, and due diligence.

Exemption

The Company is relying on the exemption from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) as set out in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

The Company's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

The Board of Directors is responsible for the stewardship of the Company and for the supervision of management to protect shareholder interests. The Board oversees the development of the Company's strategic plan and the ability of management to continue to deliver on the corporate objectives.

The board of directors is presently comprised of five (5) members: Jennifer Boyle, William Ferreira, K. Sethu Raman, Bruce Reid and Brien Sirola. All of the directors of the Company except Bruce Reid are considered to be independent directors of the Company. Bruce Reid is the Chief Executive Officer of the Company, therefore, Mr. Reid is not considered to be independent. NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. As disclosed above, the Board is comprised of a majority of independent directors. The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Company's external auditors, external legal counsel and to any of the Company's officers.

Directorships

The directors of the Company, other than Brien Sirola are also directors of other reporting issuers, see Business of Meeting- Election of Directors-Other Boards of Reporting Issuers above.

Orientation and Continuing Education

The Company is considering creating a Board Policy Manual in order to provide a comprehensive introduction to the Board and its committees. At present, each new director is given an outline of the nature of the Company's business, its strategy and present issues with the Company. New directors would also be expected to meet with management of the Company to discuss and better understand the Company's business and would be advised by the Company's legal counsel of their legal obligations as directors of the Company. The Board Policy Manual, if prepared, would be expected to be reviewed on an annual basis and an updated copy would be given to each member of the Board. The orientation and continuing education process would be reviewed on an annual basis by the Board and would be revised as necessary.

Ethical Business Conduct

The entire Board is responsible for developing the Company's approach to governance issues. The Board has reviewed this Corporate Governance disclosure and concurs that it accurately reflects the Company's activities.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an 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 Company.

In addition, each nominee for director of the Company must disclose to the Company all interests and relationships of which the director is aware of at the time of consideration which will or may give rise to a conflict of interest. If such an interest or relationship should arise while the individual is a director, the individual shall make immediate disclosure of all relevant facts to the Company.

The Board is in the process of developing a written Code of Business Conduct and Ethics (the “Code”) that applies to all directors, officers, employees and consultants of the Company.

Nomination of Directors

The entire Board is responsible for proposing new nominees to the Board. They select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. A majority of directors must agree to any new nominees to encourage an objective nomination process.

Other Board Committees

The Company has no committees other than the Audit Committee and Compensation Committee.

Assessments

The Board does not feel it is necessary to establish a committee to assess the effectiveness of individual Board members. Each Board member has considerable experience in the guidance and management of public companies and this is sufficient to meet the current needs of the Company.

OTHER BUSINESS

As at the date hereof, management of the Company knows of no amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters properly come before the Meeting or any postponement(s) or adjournment(s) thereof, or if any other matters, which are not now known to management of the Company should properly come before the Meeting or any postponement(s) or adjournment(s) thereof, the form of proxy or VIF confers discretionary authority on the person voting the proxy to vote on such amendments or variations or such other matters in the discretion of such person, whether or not the amendments, variations or other matters that come before the Meeting are or are not routine, and whether or not the amendments, variations or other matters that come before the Meeting are contested, the Company reserves the right to amend or supplement this Proxy Circular, form of proxy and VIF, as the case may be, as it sees fit in order to solicit proxies for any business to be transacted at the Meeting which is in addition to or a variation of the resolutions set out in the Circular.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders of the Company may contact the Company at SGX Resources Inc., 401 Bay Street, Suite 2702, Toronto, Ontario, M5H 4Y2 to request copies of the Company’s financial statements and management’s discussion and analysis. Financial information regarding the Company is provided in the Company’s financial statements and management discussion and analysis for the most recently completed financial year.

APPROVAL

The contents of this Circular and the sending thereof to each director of the Company, the auditor of the Company and to the Shareholders of the Company have been approved by the board of directors of the Company.

DATED at Toronto, Ontario this 30th day of April, 2018.

“Bruce Reid”

Bruce Reid
Chief Executive Officer

SCHEDULE "A"

SGX RESOURCES INC.

AUDIT COMMITTEE CHARTER

The Audit Committee (the "Committee") of the board of directors (the "Board") of SGX Resources Inc. (the "Company") will carry out the procedures, responsibilities and duties set out below, to ensure that the Company maintains financial controls in strict adherence with applicable regulatory standards.

Role and Objective

The Committee is a committee of the Board to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Company and related matters;
2. To provide better communication between directors and external auditors appointed by the Company;
3. To enhance the external auditors' independence; and
4. To increase the credibility and objectivity of financial reports.

Membership of Committee

1. The Committee shall be comprised of at least three (3) directors of the Company.
2. The Board shall have the power to appoint the Committee Chairman.
3. All of the members of the Committee shall be "financially literate". The Board of the Company has adopted the definition for "financial literacy" used in National Instrument 52-110 – Audit Committees.

Meetings

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken.
4. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet with the external auditors at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the external auditors and the Committee consider appropriate.

Mandate and Responsibilities of Committee

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting and the external auditors shall report directly to the Committee and shall at any time have direct access to the Committee.
2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Company's internal control system to:
 - a. identify, monitor and mitigate business risks; and
 - b. ensure compliance with legal, ethical and regulatory requirements.
3. It is a responsibility of the Committee to review the annual financial statements of the Company prior to their submission to the Board for approval. The process should include but not be limited to:
 - a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - b. reviewing significant accruals or other estimates such as the ceiling test calculation;
 - c. reviewing accounting treatment of unusual or non-recurring transactions;
 - d. ascertaining compliance with covenants under loan agreements;
 - e. reviewing disclosure requirements for commitments and contingencies;
 - f. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - g. reviewing unresolved differences between management and the external auditors; and
 - h. obtaining explanations of significant variances within comparative reporting periods.
4. The Committee is to review the financial statements (and make a recommendation to the Board with respect to their approval), prospectuses, management discussion and analysis and all public disclosure containing audited or unaudited financial information before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of all other financial information and shall periodically assess the accuracy of those procedures.
5. With respect to the appointment of external auditors by the Board, the Committee shall:
 - a. recommend to the Board the appointment of the external auditors;
 - b. recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Committee; and
 - c. when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
6. The Committee shall review with external auditors (and the internal auditor if one is appointed by the Company) their assessment of the internal controls of the Company, their written reports containing recommendations for improvement, and management's response and follow-up to any identified

weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and upon completion of the audit, their reports on the financial statements of the Company and its subsidiaries.

7. The Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the external auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) complies with such other procedures as may be established by the Committee from time to time.
8. The Committee shall review risk management policies and procedures of the Company (i.e. hedging, litigation and insurance).
9. The Committee shall be responsible generally for administering the Whistleblower Policy of the Company and for generally establishing procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
11. The Committee shall have the authority to investigate any financial activity of the Company. All employees of the Company are to cooperate as requested by the Committee.

The Committee may retain persons having special expertise and/or obtain independent professional advise to assist in filling their responsibilities at the expense of the Company without any further approval of the Board

SCHEDULE “B”

SGX RESOURCES INC.
(the "Corporation")

STOCK OPTION PLAN

1. **The Plan**

A stock option plan (the "**Plan**") pursuant to which options (hereinafter, an "**Option**" or "**Options**") to purchase Common Shares or such other shares or other securities as may be substituted therefor or may be acquired by a Participant (as defined in Section 6 hereof) upon the exercise of an Option the terms of which may have been modified in accordance with section 15 below (collectively, the "**Shares**") in the capital of the Corporation may be granted to the Participants, is hereby established on the terms and conditions herein set forth.

2. **Purpose**

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation (including any subsidiaries) and certain others retained by the Corporation to acquire Shares, thereby:

- (a) increasing the proprietary interests of such persons in the Corporation;
- (b) aligning the interests of such persons with the interests of the Corporation's shareholders generally;
- (c) encouraging such persons to remain associated with the Corporation; and
- (d) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

3. **Administration**

- (a) This Plan shall be administered by the board of directors of the Corporation (the "**Board**").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms as it shall determine in its sole discretion. In addition, the Board shall have the authority to:
 - (i) construe and interpret this Plan and all option agreements entered into hereunder;
 - (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and
 - (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the CEO or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially,

delegated responsibilities and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this section 3.

- (d) Options to purchase the Shares granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be substantially in such form as the Board shall approve, as amended from time to time by the Board.

4. Shares Subject to Plan

- (a) Subject to section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan or agreement of the Corporation, shall not exceed ten percent (10%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis).
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

6. Eligibility and Participation

- (a) The Board may from time to time, in its sole discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein and pursuant to the terms and conditions of an individual option agreement set forth as Schedule "A", provided that Options granted to any Participant or a reduction in the exercise price of a previously granted Option shall be approved by the applicable shareholders of the Corporation if the rules of the TSX Venture Exchange or such other exchange upon which the Shares are listed from time to time (the "**Exchange**") require such approval.
- (b) The Board may, in its discretion, select any of the following Persons to participate in this Plan, provided that any such Person, at the time of issuance, was:
 - (i) a member of the Board or the board of directors of any subsidiary of the Corporation;
 - (ii) a senior officer of the Corporation or any subsidiary of the Corporation;
 - (iii) an Employee (as hereinafter defined) of the Corporation or any subsidiary of the Corporation;
 - (iv) a Management Company Employee (as hereinafter defined) of the Corporation or any subsidiary of the Corporation; or

- (v) a Consultant (as hereinafter defined) retained by the Corporation or any subsidiary of the Corporation for any purpose including Investor Relations Activities (as hereinafter defined).

Any such person having been selected for participation in this Plan by the Board is herein referred to as a "**Participant**".

- (c) Where used herein:

"**Consultant**" means an individual (or a company controlled by such individual) who:

- (i) provides ongoing consulting services to the Corporation or any subsidiary of the Corporation under a written contract;
- (ii) possesses technical, business or management expertise of value to the Corporation or any subsidiary of the Corporation;
- (iii) spends a significant amount of time and attention on the business and affairs of the Corporation or any subsidiary of the Corporation; and
- (iv) has a relationship with the Corporation or any subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

"**Employee**" means:

- (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
- (ii) an individual who works full time for the Corporation or a subsidiary of the Corporation, as applicable, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation, as applicable, over the details and methods of work as an employee of the Corporation or a subsidiary of the Corporation, as applicable, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Corporation or a subsidiary of the Corporation, as applicable, on a continuing and regular basis providing services normally provided by an employee and who is subject to the same control and direction of the Corporation or a subsidiary of the Corporation, as applicable, over the details and methods of work as an employee of the Corporation or a subsidiary of the Corporation, as applicable, but for whom income tax deductions are not made at source.

"**Insider**" means:

- (i) a director or senior officer of the Corporation;
- (ii) a director or senior officer of a company that is an Insider or subsidiary of the Corporation;

- (iii) a Person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the Corporation; or
- (iv) the Corporation itself if it holds any of its own securities.

"Investor Relations Activities" means activities or oral or written communications, by or on behalf of the Corporation that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - to promote the sale of products or services of the Corporation; or
 - to raise public awareness of the Corporation;that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (ii) activities or communications necessary to comply with the requirements of:
 - any and all securities laws applicable to the Corporation; or
 - requirements of the Exchange or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - the communication is only through the newspaper, magazine or publication; and
 - the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.

"Management Company Employees" means individuals employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;

"Person" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

- (d) The granting of an Option to an Employee, Consultant or Management Company Employee constitutes a representation by the Corporation that such Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

7. **Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the Discounted Market Price (as hereinafter defined). The "**Discounted Market Price**" is the Market Price (as hereinafter defined) of the Shares, less a discount which shall not exceed 25% if the Market Price is \$0.50 or less, 20% if the Market Price is from \$0.51 to \$2.00 and 15% if the Market Price is above \$2.00. Where used herein, "**Market Price**" means, subject to certain exceptions required by the rules of the Exchange, the last daily closing price of the Shares before the issuance of the news release required to fix the price at which the securities are issued or deemed to be issued.

Any reduction in the exercise price of an Option held by an Insider at the time of the proposed amendment shall be subject to disinterested shareholder approval.

8. **Number of Optioned Shares**

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to:

- (a) any one Participant (other than a Consultant or a person employed in Investor Relations Activities, as defined herein) together with such Participant's participation in any other plan of the Corporation, shall not exceed five percent (5%) of the total number of issued and outstanding Shares on a yearly basis (calculated on a non-diluted basis);
- (b) any one Consultant in a 12 month period shall not exceed two percent (2%) of the total number of issued and outstanding Shares (calculated at the date the option was granted on a non-diluted basis); and
- (c) all persons employed to perform Investor Relations Activities shall not exceed 2% of the total number of issued and outstanding Shares (calculated at the date the option was granted on a non-diluted basis).

9. **Term**

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole and unfettered discretion at the time such Option is granted, provided that:

- (a) for a Participant other than a person employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
- (b) for a Participant employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding twelve (12) months from the date the Option is granted, with no more than one-quarter ($\frac{1}{4}$) of the Options vesting in any three (3) month period;
- (c) the Option Period shall be automatically reduced in accordance with Sections 11 and 12 below upon the occurrence of any of the events referred to therein; and
- (d) no Option in respect of which shareholder approval is required under the rules of the Exchange shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation.

In the event that the expiry date of an Option falls during a Blackout Period (as hereinafter defined) or within 10 business days following the lifting of the Blackout Period and the holder of the Option is subject to the Blackout Period, then the term of the Option shall be extended for a period of 10 business days following the lifting of the Blackout Period. This extension to the term of the Option is fixed and is not subject to the discretion of the Board. Where used herein "**Blackout Period**" means any blackout period self-imposed by the Corporation that restricts the purchase and sale of the Corporation's securities by designated persons for a period of time and for greater certainty a "Blackout Period" includes any quarterly or special blackout period self-imposed by the Corporation but excludes any cease trade order imposed against the Corporation or an Insider.

10. **Method of Exercise of Option**

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a Participant.
- (b) Options may be exercised in whole or in part and may be exercised on a cumulative basis where a vesting limitation has been imposed at the time of grant.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of, Winnipeg, Manitoba:
 - (i) a written notice expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his or her legal, personal representative) shall have then paid for.

11. **Ceasing to be a Director, Officer, Employee or Consultant**

If any Participant shall cease to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death, permanent disability or normal retirement, his or her Option will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the date of the expiration of the Option Period and:

- (a) for Participants other than those employed in Investor Relations Activities, 90 days after the date such Participant ceases to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation; and

- (b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be employed in Investor Relations Activities.

If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall:

- (a) confer upon such Participant any right to continue as a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation, as the case may be, or
- (b) be construed as a guarantee that the Participant will continue as a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation, as the case may be.

12. **Death, Permanent Disability or Normal Retirement of a Participant**

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the board, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's Will or by applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of his death or permanent disability.

13. **Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

14. **Proceeds from Exercise of Options**

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

15. **Adjustments**

- (a) The number of shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of

the Options outstanding under this Plan and to prevent their dilution or enlargement.

- (b) Adjustments under this section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued under this Plan on any such adjustment.

16. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable. During the lifetime of a Participant, any Options granted hereunder may only be exercised at the direction of the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participants rights under the Option pass by the Participant's will or by applicable law.

17. Amendment and Termination of Plan

- (a) The Board may amend the Plan at any time, provided however, that no such amendment may materially and adversely affect any Option previously granted to a Participant without the consent of the Participant, except to the extent required by law. Any such amendment shall, if required, be subjected to the prior approval of, or acceptance by, the Exchange.

- (b) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:

- (i) in the event the Corporation accepts an offer to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or in the event that holders of greater than 50% of the Corporation's outstanding Shares accept an offer made to all or substantially all of the holders of the Shares to purchase in excess of 50.1% of the current issued and outstanding Shares, then all of the outstanding Options shall, without any further action on behalf of the Corporation, immediately vest. Each Participant shall thereafter be entitled to exercise all of such Options within the twenty (20) day period next following the date of acceptance by the Corporation and to determine that upon the expiration of such twenty (20) day period, all rights of the Participant to such Options or to the exercise of same (to the extent not theretofore exercised) shall *ipso facto* terminate and have no further force or effect whatsoever;

- (ii) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Optioned Shares in respect of which the Participants would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of the Plan of any such sale at any time up to and including, but not after the earlier of: (A) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (B) the close of business on the expiration date of the Option; but the Participant shall not be entitled to exercise the Option with respect to any other Optioned Shares;

- (c) Notwithstanding the provisions of this Article 17, should changes be required to the Plan by any securities commission, stock exchange or other government or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.
- (d) Notwithstanding any other provisions of this Plan, the Board may at any time by resolution terminate this Plan. In such event, all Options then outstanding and granted to a Participant may be exercised by the Participant for a period of thirty (30) days after the date on which the Corporation shall have notified all Participants of the termination of this Plan, but only to the same extent as the Participants could have exercised such Options immediately prior to the date of such notification.

18. **Necessary Approvals**

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority to stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option (for any reason whatsoever) the obligation of the corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

19. **Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the Exchange or any other exchange on which the securities of the Corporation are listed.

20. **Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further shares of any class of the Corporation, including, without limitation, Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

21. **Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Winnipeg, Manitoba, currently being Suite 212, 1661 Portage Avenue, Winnipeg, Manitoba, R3J 3T7, Attention: Chief Executive Officer, Facsimile: (204) 772-9217; or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

22. **Gender**

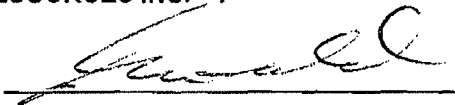
Whenever used herein, words importing the masculine gender shall include the feminine and neuter genders and vice versa.

23. **Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Manitoba.

DATED this 25th day of January, 2010.

SGX RESOURCES INC.

Per: 

Schedule "A"

OPTION AGREEMENT

This Agreement dated as of the • day of •, •.

BETWEEN:

SGX RESOURCES INC.
(hereinafter called the "Corporation"),

OF THE FIRST PART,

- and -

•,
(hereinafter called the "Participant"),

OF THE SECOND PART.

WHEREAS the Corporation has entered into a stock option plan dated •, 2010 (the "**Plan**");

AND WHEREAS terms not otherwise defined herein shall have the meaning set forth in the Plan;

WHEREAS the Participant is a *bona fide* senior officer, director, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation;

AND WHEREAS the Corporation desires to grant to the Participant an option to purchase common shares of the Corporation (the "**Shares**") on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto agree as follows:

1. The Corporation hereby grants to the Participant an irrevocable, non-assignable and non-transferable option (the "**Option**") to purchase all or any part of • Shares at a price of \$• per Share subject to the terms and conditions set forth herein.
2. The Option expires and terminates at 5:00 p.m. (Winnipeg time) on the day (the "**Expiry Date**") that is the earlier of (i) the • anniversary of the date hereof and (ii) the dates determined by Sections 6 and 7 below.
3. The Shares optioned under this Agreement shall vest immediately as of the date of issuance [or insert vesting provisions].
4. Except as provided in Sections 6 and 7 below, the Option may only be exercised while the Participant is a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation. The Participant (or his legal representative) may exercise the Option by delivering to the Corporation, at its principal office in Winnipeg, Manitoba:
 - (a) a written notice expressing the intention to exercise the Option and specifying the number of Shares in respect of which the Option is exercised;
 - (b) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised; and

- (c) in the event the Option is exercised in accordance with this Agreement by person(s) other than the Participant, proof satisfactory to the Corporation of the right of such person(s) to exercise the Option.
5. Upon the exercise of the Option as aforesaid, the Corporation shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the Participant (or his legal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his legal representative) shall have then paid for.
6. (a) Subject to Subsection 6(b) hereof, if the Participant shall cease to be a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death or permanent disability, the Option granted herein will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the (i) ninetieth (90th) day after the date the Participant ceases to be a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation and (ii) the • anniversary of the date hereof.
- (b) If the Participant is engaged in Investor Relations Activities on behalf of the Corporation or any subsidiary of the Corporation and ceases to be retained as a Consultant engaged in Investor Relations Activities for the Corporation or any subsidiary of the Corporation for any reason other than death or permanent disability, his Option will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the (i) thirtieth day after the date the Participant ceases to be a Consultant engaged in Investor Relations Activities on behalf of the Corporation or any subsidiary of the Corporation and (ii) the • anniversary of the date hereof.
7. In the event of the death or permanent disability of the participant, the Option shall be exercisable until 5:00 p.m. (Winnipeg time) on the day that is the earlier of (i) 12 months after the date of death or permanent disability of the Participant and (ii) the • anniversary of the date hereof, and then, in the event of death or permanent disability, only:
- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.
8. The Participant acknowledges and agrees that neither the selection of the Participant as a Participant under the Plan nor the granting of the Option hereunder shall confer upon the Participant any right to continue as a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation, as the case may be. The Participant further acknowledges and agrees that this Agreement and the Option granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the Corporation or any subsidiary of the Corporation in the event of the termination of the employment (or other contractual relationship) of the Participant with the Corporation or any subsidiary of the Corporation for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the Corporation or any subsidiary of the Corporation from all claims and rights of action for damages whatsoever based upon or arising out of this Agreement and the Option.
9. The Participant shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of the Option until such

Shares have been paid for in full and issued to the Participant in accordance with the terms of this Agreement.

10. The number of Shares deliverable upon the exercise of the Option shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation prior to the Expiry Date, without any change in the total price applicable to the unexercised portion of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Option and to prevent its dilution or enlargement. Adjustments under this Section 10 shall be made by the Board (or by such committee or persons as may be delegated such authority by the Board), whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued on any such adjustment.
11. The Option and all benefits and rights accruing to the Participant hereunder shall not be transferable or assignable unless specifically provided herein. During the lifetime of the Participant the Option granted hereunder may only be exercised by the Participant as herein provided and in the event of death of the Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law in accordance with Section 7 above.
12. The Corporation shall at all times ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Agreement.
13. The obligation of the Corporation to issue and deliver Shares on the exercise of the Option in accordance with the terms and conditions of this Agreement is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority including any stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to the Participant upon the exercise of the Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of the Option will be returned to the Participant as soon as practicable.
14. All Shares issued upon the exercise of the Option, if the Option is exercised prior to ● must be legended with a four month hold period from the date that the options are granted. The legend must state the following:

"Unless permitted under applicable securities legislation, the holder of the securities shall not trade the securities until ●."

The Shares may also have the following legend, if required by the Exchange:

"Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●."

15. The Participant acknowledges that the Participant has read and understands this Agreement.
16. Time shall be of the essence of this Agreement.
17. Any notice required to be given by this Agreement shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission

addressed, if to the Corporation, at its principal address in Winnipeg, Manitoba, currently being Suite 212, 1661 Portage Avenue, Winnipeg, Manitoba, R3J 3T7, Attention: Chief Executive Officer, Facsimile: (204) ●; or if to the Participant at the last known address of the Participant as set forth in the records of the Corporation.

18. This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba.
19. This Agreement may be executed in several parts in the same form and the parts as so executed shall together constitute one original agreement, and the parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date and year first above written.

SGX RESOURCES INC.

Per: _____

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

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