



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

NOTICE IS HEREBY GIVEN that the Special and Annual General Meeting of shareholders of **RED ORE GOLD INC.** (the "Company") will be held at the operations office of the Company, Suite 205 – 2742 St. Joseph Boulevard, Orleans, ON., K1C 1G5 on the 15th day of January, 2014, at the hour of 13:00 hours EST, for the following purposes:

1. To receive and consider the annual report of the Directors to the shareholders;
2. To receive and consider the audited financial statements of the Company for the year ended April 30, 2013, and the auditors' report thereon;
3. To appoint auditors for the ensuing year and to authorize the Directors to fix the auditors' remuneration;
4. To elect Directors for the ensuing year;
5. To consider and if thought fit, pass a special resolution at the Meeting to confirm and approve By-Law 2013-01 – Advance Notice Requirement for the Election of Directors;
6. Ratify and approve the Company's Stock Option Plan. See "Particulars of Other Matters to be acted Upon – Stock Option Plan" in the Circular.
7. To transact such other business as may properly come before the meeting.

An Information Circular for the fiscal year ended April 30, 2013, Form of Proxy, Notes to Proxy and Supplemental Mailing List Return Card also accompany this Notice of Meeting. A copy of the audited Financial Reports as at April 30, 2013 has been filed on the SEDAR filing system, and may be viewed by interested shareholders by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com).

**SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO DATE AND SIGN THE ENCLOSED PROXY FORM AND RETURN IT PROMPTLY TO THE COMPANY'S REGISTRAR AND TRANSFER AGENT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT IN THE FORM OF PROXY AND INFORMATION CIRCULAR ACCOMPANYING THIS NOTICE. THE PROXY WILL NOT BE USED AT THE MEETING OR ANY ADJOURNMENT(S) THEREOF UNLESS THE SAME IS DEPOSITED AT THE OFFICE OF THE REGISTRAR AND TRANSFER AGENT, CAPITAL TRANSFER AGENCY INC. 121 RICHMOND ST. WEST, SUITE 401 TORONTO, ON M5H 2K1 , AT LEAST 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE HOLDING OF THE MEETING. THE ENCLOSED PROXY FORM IS SOLICITED BY MANAGEMENT AND YOU MAY AMEND IT, IF YOU SO DESIRE, BY STRIKING OUT THE NAMES LISTED THEREIN AND INSERTING IN THE SPACE PROVIDED THE NAME OF THE PERSON YOU WISH TO REPRESENT YOU AT THE MEETING.**

IF A SHAREHOLDER RECEIVES MORE THAN ONE PROXY FORM BECAUSE SUCH SHAREHOLDER OWNS SHARES REGISTERED IN DIFFERENT NAMES OR ADDRESSES, EACH PROXY FORM SHOULD BE COMPLETED AND RETURNED.

Dated at Toronto, Ontario this 25<sup>th</sup> day of November 2013.

BY ORDER OF THE BOARD

SIGNED

\_\_\_\_\_  
LARRY HOOVER  
CHIEF EXECUTIVE OFFICER

Suite 205, 2742 St. Joseph Blvd., Orleans, ON K1C 1G5  
Phone: 1-613-834-6513 Fax: 613-424-5682



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

### **INFORMATION CIRCULAR**

*(as at November 25, 2013 unless otherwise indicated)*

#### **1. SOLICITATION OF PROXIES**

This Information Circular is furnished to the common shareholders ("shareholders") by the Board of Directors of Red Ore Gold Inc. (the "Company") in connection with the solicitation of proxies to be voted at the Special and Annual General Meeting of the shareholders (the "Meeting") to be held at the hour of 13:00 hours EST, on January 15, 2014 and at any adjournment thereof, for the purposes set forth in the Notice of Meeting.

THE ENCLOSED PROXY IS SOLICITED BY AND ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY. THE PERSONS NAMED IN THE ENCLOSED PROXY FORM ARE DIRECTORS AND SENIOR OFFICERS OF THE COMPANY. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING MAY DO SO EITHER BY INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY FORM OR BY COMPLETING ANOTHER FORM OF PROXY.** To be used at this Meeting, the completed Proxy Form should be deposited at the office of **Capital Transfer Agency Inc., 121 Richmond St. W., Suite 401 Toronto, ON M5H 2K1, Attention: Proxy Department**, at least 48 hours (excluding Saturdays, Sundays and holidays) before the holding of the Meeting. Solicitation will be primarily by mail, but some proxies may be solicited personally or by electronic mail or telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by the Board of Directors will be borne by the Company.

#### **2. REVOCABILITY OF PROXIES**

A shareholder who has given a proxy may revoke it either by (a) signing a proxy bearing a later date and depositing the same at the office of Capital Transfer Agency Inc., **121 Richmond St. W., Suite 401 Toronto, ON M5H 2K1**, Attention: Proxy Department, 48 hours (excluding Saturdays, Sundays and holidays) before the holding of the Meeting); or (b) attending the Meeting in person and registering with the scrutineers as a shareholder personally present.

#### **3. EXERCISE OF DISCRETION BY PROXIES**

A shareholder's instructions on his Proxy Form as to the exercise of voting rights will be followed in casting such shareholder's votes on any ballot that may be called for. **IN THE ABSENCE OF ANY INSTRUCTIONS, THE SHARES WILL BE VOTED AS IF THE SHAREHOLDER HAD SPECIFIED AN AFFIRMATIVE VOTE.**

The enclosed Proxy Form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

#### **4. NON-REGISTERED HOLDERS**

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they

purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with the Company's transfer agent as provided above; or**
- (b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders named in the form and insert the Non-Registered Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

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

No director or senior officer of the Company, who has held the position at any time since the beginning of the last completed financial year of the Company, nor any proposed nominee of the Management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at the said Meeting (other than the election of directors or the appointment of auditors and any interest from the ownership of shares of the Company where the shareholder received no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Company) save and except for the transactions referred to under the headings "Executive Compensation" and "Particulars of Other Matters to be Acted Upon" and as otherwise disclosed herein.

## 6. VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has an authorized share structure consisting of an unlimited number of common shares (the "Common Shares") without par value, each share carrying the right to one vote, and an unlimited number of Class A preferred shares. As of **November 25, 2013 only 21,213,939 Common Shares were issued as fully paid and non-assessable**. The central securities register of the Company will not be closed, but the Board of Directors has fixed November 25, 2013 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. A complete list of the shareholders entitled to vote at the Meeting will be open to examination by any shareholder for any purpose germane to the Meeting, during ordinary business hours for a period of 10 days prior to the Meeting, at the office of Capital Transfer Agency Inc., **121 Richmond St. W., Suite 401 Toronto, ON M5H 2K1**.

To the knowledge of the directors or senior officers of the Company, no person beneficially owns, directly or indirectly or exercises control or direction over, shares carrying more than 10% of the voting rights attached to the Company's issued and outstanding Common Shares, as at November 25, 2013 except for the following:

Name	Number of Common Shares Held	Percentage of Common Shares Held <sup>(1)</sup>
Galahad Metals Inc.	6,613,430	31.2% <sup>(1)</sup>

(1) Based on **21,213,939** Common Shares issued and outstanding as of the date of this Information Circular.

## 7. VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

Under the Company's Articles, and subject to the special rights and restrictions attached to the shares of any class or series of shares, and Article 11.3, the quorum for the transaction of the business of the shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least one-twentieth of the issued shares entitled to be voted at the meeting.

Under the Company's Articles and the Business Corporations Act (British Columbia), a majority of the votes cast at the Meeting (in person or by proxy) is required in order to elect directors and to pass the resolutions referred to in the accompanying Notice of Meeting other than the resolution related to the alteration to the authorized share structure and the resolution related to the alteration of the Articles which must be passed by way of special resolution.

## 8. APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of **James Stafford, Chartered Accountants**, Suite 350 - 1111 Melville Street, Vancouver, British Columbia, Canada V6E 3V6 as auditors of the Company to hold office until the next annual general meeting of shareholders. James Stafford, Chartered Accountants have been auditors of the Company since July 6, 2012.

**9. DIRECTORS**

**Number of Directors & Election of Directors**

The Board of Directors presently consists of four (4) directors for the ensuing year.

The persons named below are the nominees of management for election as directors. Each director elected will hold office until his successor is elected or appointed, unless his office is earlier vacated under any of the relevant provisions of the Articles of the Company or the Business Corporations Act (British Columbia). It is the intention of the persons named as proxyholders in the enclosed form of proxy to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **PROXIES IN FAVOUR OF MANAGEMENT DESIGNEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director and the name of each of the persons whose term of office, if elected, shall continue after the Meeting; all positions and offices in the Company presently held by him; his principal occupation at present and during the preceding five years; the period(s) during which he has served as a director; and the number of shares of the Company that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

<b>Name, Municipality State/Province &amp; Country of Residence and Position with Company</b>	<b>Present and if not a Current Director elected by Shareholders, Principal Occupation during the last five years</b>	<b>Date of Appointment as Director</b>	<b>Common Shares Beneficially Owned or controlled Directly or Indirectly</b>
<b>ROBIN DOW</b> (*) West Vancouver, BC, Canada – Chairman of the Board of Directors	CEO and Director of Galahad Metals Inc., Pueblo Potash Inc., Desiree Resources Inc.	January 13, 2011	744,567 <sup>(1)</sup>
<b>LARRY HOOVER</b> (*) Millbrook, ON, Canada CEO, President and Director	Independent Analytical Chemist Director – Galahad Metals Inc. (TSXH “GAX”) Director – Golden Hope Mines Ltd. (TSX.V “GNH”)	January 13, 2011	1,104,200 <sup>(3)</sup>
<b>ROBERT SCHELLENBERG</b> (*)(**) Grand Rapids, Michigan, USA Director	Independent Certified Accountant	February 22, 2011	0
<b>PATRICIA PURDY</b> (**)Maple Ridge, BC, Canada	Independent Corporate & Securities Paralegal Corporate Secretary to Private and Public companies	October 24, 2012	0

NOTES:

(\*) Denotes member of the Audit committee

(\*\*) Denotes member of the Governance, Compensation and Nominating Committee

To the knowledge of the Company, no person proposed for election as a director of the Company:

- (1) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority after December 31, 2000 or any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director; or
- (2) is, or has been in the last 10 years:
  - (a) a director, chief executive officer or chief financial officer of any issuer that while that person was acting in that capacity, (i) was the subject of a cease trade order or similar order (including a management cease trade order) or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, (ii) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; or
  - (b) a director or executive officer of any issuer that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (c) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director except as follows:

On May 15, 2009, the Ontario Securities Commission issued a management cease trade order against Robin Dow in his capacity as Chief Executive Officer of Wedge Energy International Inc. ("Wedge"). The cease trade order was imposed due to the failure of Wedge to file its annual audited financial statements, management's discussion and analysis and related certifications for the year ended December 31, 2008 within the prescribed time for filing. The required filings were completed and filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)) and the Management CTO was subsequently lifted. Mr. Dow has subsequently resigned his position with Wedge.

On May 14, 2010, the Ontario Securities Commission issued a temporary management cease trade order against Robin Dow and against Sabino Di Paola in their respective capacities of Chief Executive Officer and Chief Financial Officer of Diamond International Exploration Inc. ("DIX"). The cease trade order was imposed due to the failure of DIX to file its annual audited financial statements, management's discussion and analysis and related certifications for the year ended December 31, 2009 within the prescribed time for filing. The required filings were completed and filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)) on June 30, 2010 and the Management CTO was subsequently lifted. Both Mr. Dow and Mr. Di Paola have subsequently resigned their positions with DIX.

On May 3, 2013, the Ontario Securities Commission issued a temporary cease trade order against Robin Dow and Larry Hoover in their respective capacities of Chief Executive Officer and Interim Chief Financial Officer of Galahad Metals Inc. ("GAX"). The cease trade order was imposed due to the failure of GAX to file its annual audited financial statements, management's discussion and analysis and related certifications for the year ended December 31, 2012 within the prescribed time for filing. The required filings were completed and filed on SEDAR ([www.SEDAR.com](http://www.SEDAR.com)) on August 2, 2013 and the CTO was subsequently lifted. Mr. Hoover resigned as Interim Chief Financial Officer on November 6, 2013.

Unless otherwise stated above, each of the proposed nominees has held the principal occupation or employment indicated for at least five (5) years. Unless otherwise stated each of the proposed nominees has served continually as director since the year he first became a director.

The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective individuals or has been extracted from the central securities register maintained by the Company's transfer agent.

## **10. EXECUTIVE COMPENSATION**

### **Discussion and Analysis**

The Governance, Compensation and Nominating Committee of the Company is responsible for ensuring that the Company has in place an appropriate plan for executive compensation with respect to the compensation of the Company's executive officers. Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Company's compensation philosophy is to foster entrepreneurship at all levels of the organization by making long term equity-based incentives, through the granting of stock options ("Options") to purchase Common Shares under the Company's stock option plan (the "Plan"), a significant component of executive compensation. This approach is based on the assumption that the performance of the Common Share price over the long term is an important indicator of long term performance. Option-based compensation represents compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on the market performance of the Common Shares (assuming that they become listed on the Exchange).

### Compensation Program Objectives

The Corporation's process with respect to executive compensation is not based on any formal criteria or analysis, however, in determining compensation the Compensation Committee will ensure that compensation is internally equitable. When determining the compensation of the NEO's, the Board takes into account the limited resources of the Corporation and certain general principles including:

- (i) Fair and competitive compensation should commensurate with an individual's experience and expertise in order to attract and retain qualified executives;
- (ii) The financial interests of the executives must be aligned with the those of the shareholders of the Corporation; and
- (iii) Stock option grants are an appropriate tool to reward individual performance and contribute to the achievement of corporate performance and objectives.

The elements to the Corporation's executive compensation program are the base salary and/or compensation, the performance bonuses and the long-term compensation incentives (stock option plan) related to long-term increase in share value.

### **Base Salary and/or compensation**

The base salary and/or compensation of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary and/or compensation of the NEOs of the Corporation, is reviewed annually by the Compensation Committee. The Compensation Committee then makes its recommendations to the Board. The Board approves the base salary and/or compensation of each NEO based on the recommendations of the Compensation Committee.

The base salary and/or compensation is based on the executive officer's personal performance and expertise, contribution to the business of the Corporation and the stage of development of the Corporation.

Long-Term Compensation Incentives / Option-Based Grant

Long-term incentive compensation for NEO's is provided through grants of stock options pursuant to the Corporation's stock option plan. Stock options are granted as an incentive to serve the Corporation in attaining its goal of improved shareholder value. Stock option grants to executive officers are generally reviewed annually by the Board. The number of stock options granted is based on each individual's salary range, responsibility, performance and number of options held by such executives.

**Summary Compensation Table**

The following table sets forth all annual and long term compensation for services in all capacities to the Company for the financial years ended April 30, 2013 and April 30, 2012 and April 30, 2011 in respect of each of the individuals who were, as at the end of such financial years, the Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated executive officers of the Company whose individual total compensation for the most recently completed financial year exceeds \$150,000 (collectively the "Named Executive Officers"), if any, including any individual who would have qualified as a Named Executive Officer but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year. During the Company's most recently completed financial year ended April 30, 2013, the Company had two Named Executive Officers, Larry Hoover, the CEO, and Sabino Di Paola, the CFO.

**Summary Compensation Table**

Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
ROBIN DOW <sup>(3)</sup> CEO	2013	-	n/a	n/a	n/a	-	n/a	n/a
	2012	60,000	n/a	n/a	n/a	13,000 <sup>(1)</sup>	n/a	n/a
	2011	20,000	n/a	n/a	n/a	36,956	n/a	n/a
SABINO DI PAOLA CFO	2013	41,565	n/a	n/a	n/a	-	n/a	n/a
	2012	59,570	n/a	n/a	n/a	3,260 <sup>(2)</sup>	n/a	n/a
	2011	8,480	n/a	n/a	n/a	9,239	n/a	n/a
LARRY HOOVER CEO	2013	-	n/a	n/a	n/a	n/a	n/a	n/a

NOTES:

- (1) This amount represents the accounting expense incurred by the Company for the 500,000 Common Shares that were issued to Mr. Dow in fiscal 2012.
- (2) This amount represents the accounting expense incurred by the Company for the 125,000 Common Shares that were issued to Mr. Di Paola in fiscal 2012.



**Long-Term Incentive Plan (LTIP) Awards**

The Company does not have a LTIP, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial performance or the price of the Company’s securities), and therefore did not make any awards pursuant to an LTIP which were paid or distributed to the Named Executive Officers during the most recently completed financial year.

**Options and Stock Appreciation Rights (“SAR’S”) Granted During the Most Recently Completed Financial Year**

The Company currently has the Plan in place which provides for a variable number of Common Shares reserved for issuance under the Plan. The aggregate number of Common Shares issuable upon the exercise of all Options granted under the Plan is limited to 10% of the outstanding Common Shares. A copy of the Plan may be obtained by interested shareholders from the Company during normal business hours at its office(located at Suite 205, 2742 St. Joseph Blvd., Orleans, ON K1C 1G5, telephone number (613) 834-6513, attention: Danielle Beetham, Comptroller.

The following table sets out information with respect to all Options to purchase or acquire securities of the Company and any SARs granted to Named Executive Officers and directors of the Company during the fiscal year ended April 30, 2013.

Name	Securities Under Options /SARs Granted in Financial Year (#)	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) <sup>(1)</sup>	Expiration Date
ROBIN DOW	0	0%	\$0.00		n/a
ROBERT SCHELLENBERG	0	0%	\$0.00		n/a
MICHAEL NEWMAN	0	0%	\$0.00		n/a
LARRY HOOVER	0	0%	\$0.00		n/a
GARRY SMITH	0	0%	\$0.00		n/a
SABINO DI PAOLA	0	0%	\$0.00		n/a

(1) Market Value cannot be determined because the common shares of the company do not trade on any exchange.

The Company did not reprice downward any Options or SARs held by Named Executive Officers during the most recently completed financial year.

**Share-Based Awards, Options-Based Awards, and Non-Equity Incentive Plan Compensation**

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

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Corporation:

Name	Option-based Awards			Share-based Awards		
	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Number of shares or units of shares that have not vested (#)	Market or payout value of vested share-based awards not paid out or distributed (\$)
ROBIN DOW	270,000	10 Jan 2015	-	-	-	-
ROBERT SCHELLENBERG	270,000	10 Jan 2015	-	-	-	-
MICHAEL NEWMAN	270,000	10 Jan 2015	-	-	-	-
LARRY HOOVER	270,000	10 Jan 2015	-	-	-	-
GARRY SMITH	67,500 200,000	10 Jan 2015 31 Jan 2015	- -	-	-	-
SABINO DI PAOLA	22,500	10 Jan 2015	-	-	-	-

### Pension Plan Benefits

The Company does not have a pension plan or other defined benefit or actuarial plan.

### Termination and Change of Control Benefits

There is no compensation plan or mechanism with respect to an NEO that may be triggered following his resignation, retirement or other termination of employment with the Corporation or following a change of control of the Corporation or a change in his functions pursuant to a change of control.

### ***Aggregated Options/SARs Exercised During the Most Recently Completed Financial Year***

During the year ended April 30, 2013, none of the Named Executive Officers and none of the directors exercised any Options and SARs nor did any of the Named Executive Officers and directors of the Company hold any in-the-money Options or SAR's at November 25, 2013.

### ***Termination of Employment, Changes in Responsibility and Employment Contracts***

Apart from Mr. Di Paola's entitlement under his consulting agreement to 90 days of advance notice or compensation in lieu of notice equal to 1 month plus 2 weeks per year of completed service with the Company if the Company terminates the agreement without just cause, the Company has no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of the company or change in a Named Executive Officer's responsibilities. Mr. Di Paola's contract expires December 31, 2013. There are no obligations by the company after that date if a new contract is not signed.

### ***Directors' Compensation***

During the fiscal year ended April 30, 2013, directors' fees were paid to the directors of the Company as follows: a \$6,000 annual retainer per director with an extra \$3,000 per annum retainer for committee chairmen. Directors of the Company also receive cash compensation for attendance at meetings of the Board of Directors in the amount of \$500 per meeting for personal attendance and \$250 per meeting for telephonic attendance. Directors may also be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors and certain directors may be compensated for services as consultants or experts.

Directors are also eligible to receive incentive Options to purchase Common Shares granted from time to time.

The Directors have been granted and/or exercised the incentive Options described above under the heading “Options and Stock Appreciation Rights”.

**11. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

**Equity Compensation Plan Information**

The following table sets forth certain summary information concerning the number of Common Shares authorized for issuance under the Plan as at the end of the Company’s most recently completed financial year-ended April 30, 2013.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Average Exercise Price of Outstanding Options (\$)	Number of Common Shares Remaining for Future Issuance (Excluding Common Shares to be Issued Upon Exercise of Outstanding Options) <sup>(1)</sup>
Equity compensation plans approved by securityholders (the Plan)	1,550,000	\$0.10	571,394
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>1,550,000</b>		<b>571,394</b>

(1) Based on the total number of Common Shares to be reserved and authorized for issuance pursuant to Options granted under the Plan being 10% of the issued and outstanding Common Shares from time to time.

**THE STOCK OPTION PLAN**

The purpose of the Option Plan is to attract and motivate the directors, officers and employees of the Company and any subsidiaries, employees of any management corporation and consultants to the Company (collectively, “Optionees”) and thereby advance the Company’s interests by providing them an opportunity to acquire an equity interest in the Company through the exercise of stock options granted to them under the Option Plan.

Pursuant to the Option Plan, the Board, based on the recommendations of the Compensation Committee, may grant stock options to Optionees in consideration of them providing their services to the Company or a subsidiary. The number of Shares subject to each option is determined by the Board or Committee within the guidelines established by the Option Plan. The options enable such persons to purchase Shares at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving the Company notice and payment of the exercise price for the number of Shares to be acquired.

The Corporation’s stock option plan (the “Plan”) was adopted by the Board on February 11, 2011. The Option Plan authorizes stock options to be granted to the Optionees on the following terms:

The number of Shares available for issuance pursuant to outstanding options cannot exceed an aggregate of 10% of the issued Shares. At the present time, a maximum of 21,213,939 common shares may be issued under the Plan (10% of the common shares issued and outstanding of the Corporation as at November 25, 2013);

The total number of options granted to a consultant (excluding those providing investor relation activities), in any 12 month period, will not exceed 2% of the issued common shares of the Corporation at the time of grant (on a non-diluted basis);

The total number of options collectively granted to all persons providing investor relations activities, in any 12 month period, will not exceed 2% of the issued common shares of the Corporation at the time of grant (on a non-diluted basis);

The exercise price per Share under an Option shall be determined by the Board or Committee, in its discretion, at the time such Option is granted, in any event, the exercise price per Share will not be less than \$0.05.;

In the event that an optionee ceases to be an eligible person prior to the expiry date of his options, the options shall expire 12 months after the termination date or on the expiry date, whichever comes first (except for persons providing investor relations activities who will remain subject to a 30 day expiry period). In the event of termination with cause, the options of an eligible person shall expire on the date of the notice of termination; and

The options are non-assignable and non-transferable.

## **12. INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

No debts are owed to the Company nor has the Company guaranteed or supported the indebtedness of any person who is or at any time during the most recently completed fiscal year was a director, senior officer, or proposed nominee for election as a director of the Company, or any associate or affiliate of any of the foregoing, except as set out herein.

## **13. INTEREST OF INSIDERS AND OTHERS IN MATERIAL TRANSACTIONS**

Other than transactions carried out in the normal course of business of the Company or any of its affiliates, no person now is or who has been a director or senior officer of the Company at any time since the beginning of the last financial year, any proposed management nominee for election as a director of the Company, any member beneficially owning shares carrying more than 10% of the voting rights attached to the shares of the Company nor an associate or affiliate of any of the foregoing persons had, since the commencement of the Company's last completed financial year, any material interest, direct or indirect, in any transactions which materially affected the Company or any of its subsidiaries or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries or in any proposed transaction which has or would materially affect the Company or any of its subsidiaries save and except for the transactions referred to under the headings "Executive Compensation" and "Particulars of Other Matters to be Acted Upon" or otherwise disclosed herein or set forth below.

## **14. DIRECTORS AND OFFICERS LIABILITY INSURANCE**

Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities. The policy contains standard industry exclusions, and no claims have been made thereunder to date. The premium is \$5000. for coverage of \$1,000,000 with a \$25,000 deductible.

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

Other than as set forth in the Information Circular, no person who is or has been a director or executive officer of the Company at any time since the commencement of the Company's last completed financial year, no person who, to the knowledge of the Company, holds 10% or more of the votes, attached to securities of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing persons, has or has had any material interest, direct or indirect, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## **16. MANAGEMENT CONTRACTS**

During the last completed financial year of the Company, the following amounts were paid to persons with whom the Company had entered into management agreements:

- (1) The amount of \$41,565 was paid to Sabino Di Paola, the CFO of the Company for management, and financial services provided pursuant to an agreement dated January 13, 2011 and expiring December 31, 2013.
- (2) The amount of \$55,804 was paid to Garry Smith, the VP of Exploration of the Company for project management and geological services.
- (3) The amount of \$20,000 cash and 50,000 Common Shares at a deemed value of \$0.10 per share was paid to 2232097 Ontario Inc., a company controlled by Garry Smith, the VP of Exploration for the Company pursuant to a Land Management Fee Agreement dated October 5, 2011.

## **17. CORPORATE GOVERNANCE**

Pursuant to National Policy 58-101 Disclosure of Corporate Governance Practices, the Company is required to and hereby discloses its corporate governance practices as follows:

### ***Board of Directors***

The Board is responsible for the general supervision of the management of the Company's business and affairs with the objective of enhancing shareholder value. The Board discharges its responsibilities directly and through its committees, which currently consists of an Audit Committee and a Governance, Compensation and Nominating Committee.

The Board currently comprises of four (4) directors of which three (3), Robert Schellenberg, Robin Dow and Patricia Purdy are independent. In British Columbia, a director is independent if a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant security holder.

### **Directorships**

Please refer to section 9 of this Information Circular under the heading entitled "Election of Directors" which discloses the directorships in other issuers.

### **Orientation and Continuing Education**

The Company has an orientation program for new directors. New directors will receive an orientation package which includes reports on operations and results, and public disclosure filings by the Company. They will also meet with and be briefed by senior management.

With respect to providing continuing education for the Company's directors, the Board ensures that all directors are kept apprised of changes in the Company's operations and business, any changes in the regulatory environment affecting the Company's business and changes in their roles as directors of a public company.

### **Ethical Business Conduct**

The Board has not adopted a written code of business conduct and ethics but encourages and promotes a culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to employees, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

To ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest, the Board has approved a policy requiring directors to act in the interest of the Company at all times. If a director or member of the director's family has or may have a conflict, the director is required to disclose such conflict and either eliminate the conflict or abstain from participation in any discussion or decision making process in relation to the subject matter of the conflict.

### **Nomination of Directors**

The Board has concluded that its small size allows it to effectively conduct the majority of the Company's business at the full Board level rather than through delegation to several single purpose Board committee. The Board as a whole is responsible for identifying and recommending new nominees to the Board. The process by which the Board identifies new candidates is through recommendations from Board members based on corporate law and regulatory requirements as well as relevant education and experience related to the Company's business.

### **Compensation**

The Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors of the Company to ensure it reflects the responsibilities and risks of being a director of a public company. The Board conducts reviews with regard to directors' compensation once a year. To make its recommendations on directors' compensation, the Board takes into account the recommendations of the Governance, Compensation and Nominating Committee, the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

### **Other Board Committees**

The Company has an Audit Committee and a Governance, Compensation and Nominating Committee at this time. See section 17 of this Information Circular under the heading entitled "Audit Committee and Relationship with Auditor".

### **Assessments**

The Board, its Audit Committee, the Governance, Compensation and Nominating Committee and its individual directors are assessed regularly, at least on an annual basis, as to their effectiveness and contribution. In addition, the Chairman encourages discussion among the Board or the committee members, as the case may

be, as to their evaluation of their own effectiveness over the course of the year. All directors and/or committee members are free to make suggestions for improvement of the practice of the Board and/or its committees at any time and are encouraged to do so.

## **18. AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

Multilateral Instrument 52-110 of the Canadian Securities Administrators (“MI 52-110”) requires that the Company, as a venture issuer, disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Company’s audit committee is governed by an audit committee charter, a copy of which is attached as Schedule “A” hereto.

### Composition of the Audit Committee

MI 52-110 requires that the audit committee be comprised of at least three directors, the majority of which must be “independent” and, subject to certain limited exceptions, “financially literate”, as defined in MI 52-110. The Company’s audit committee is currently comprised of three directors, **Robert Schellenberg, (Chairman), Robin Dow, and Larry Hoover.**

As defined in MI 52-110, two of the three members of the Audit Committee, namely Mr. Schellenberg and Robin Dow are “independent”. Further, as defined in MI 52-110, all of the audit committee members are “financially literate”. Accordingly, the Company’s audit committee meets the composition and financial literacy requirements of MI 52-110.

### Education of the Audit Committee

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

#### **Larry Hoover**

Larry Hoover has managed a private technical consulting firm since its inception in 1997. Mr. Hoover is President and CEO of Red Ore Gold Inc., since Sept. 2012. He has been a Director of Red Ore Gold since January 2011, and has served on the Audit Committee since that time. He is a Director (since Sept. 2010) of TSX-NEX listed Galahad Metals Inc., where he also serves on the Audit Committee. In June 2013, he joined the Board of Golden Hope Mines Ltd, GNH on the TSX-Venture Exchange. He serves on a number of advisory committees for companies in the mineral exploration sector.

#### **Robin Dow**

Mr. Dow has over 35 years’ experience in consulting to or in funding private and public corporations. Mr. Dow held various positions, including senior executive management, in the brokerage industry in Calgary from 1976 to 1988, when he started his first public company. He is, or has been, a director and/or officer of 12 public and two private companies since 1988. He is currently CEO of Galahad Metals Inc., Pueblo Potash Inc. and Desirée Resources Inc.

#### **Robert Schellenberg, CPA, JD**

Robert Schellenberg is a CPA and attorney, practicing as a CPA in Grand Rapids, Michigan. He is an owner of the CPA firm Schellenberg & Evers PC. The firm specializes in taxation, litigation support, resource consulting and film production audits for films produced in Michigan. Mr Schellenberg has extensive experience in

valuations, employee benefit plans, financial planning, individual and corporate taxation and litigation support, business planning, performance measures, mergers, acquisitions and arbitration. He is also on the board of directors of Cabo Drilling (TSX:V: CBE). He is a graduate of Hope College and Valparaiso University Law School.

#### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

#### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year, has the Corporation relied on exemptions in relation to "De Minimis Non-Audit Services" or any exemption provided by Part 8 of Regulation 52-110 respecting Audit Committees.

#### Pre-Approval Policies and Procedures

The Audit Committee approves the engagement terms for all audit and non-audit services to be provided by the auditors to the Corporation prior to such services being provided.

#### External Auditor Services Fees

The fees paid by the Company to its auditors in each of the last three fiscal years, by category, are as follow:

<i>Financial Year ending</i>	<i>Audit Fees<sup>(1)</sup></i>	<i>Audit Related Fees</i>	<i>Tax Fees<sup>(2)</sup></i>	<i>All other Fees</i>
<i>April 30, 2013</i>	<i>\$17,288</i>	<i>NIL</i>	<i>1,686</i>	<i>NIL</i>
<i>April 30, 2012</i>	<i>\$16,000</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>April 30, 2011</i>	<i>\$44,520</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

*(1) Audit fees include fees for services related to the audit of the Corporation's financial statements or other services that are normally provided by the external auditors in connection with statutory or regulatory filings or engagements. These fees also include fees for comfort letters, statutory audits, attest services, consents and assistance with the preparation and review of documents filed with regulators, as well as in connection with the interpretation of accounting and financial reporting standards.*

*(2) Tax fees include fees for assistance with tax planning, during restructurings and when taking a tax position, as well as preparation and review of income and other tax returns and tax opinions.*

### **19. STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Board considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to enhance shareholder value. The Board is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in Policy Statement 58-201 to Corporate Governance Guidelines. The Corporation's disclosure of corporate governance practices pursuant to Regulation 58-101 respecting

Disclosure of Corporate Governance Practices is set out in Exhibit "B" to this information circular in the form required by Form 58-101F2.



**20. PARTICULARS OF OTHER MATTERS TO BE ACTED ON**

***(a) Ratification of the Advance Notice Policy adopted by the Board September 26, 2013***

The shareholders will be asked to pass an ordinary resolution ratifying the Advance Notice Policy, whose particulars follow.

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

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

It is the position of the Company that this Policy is beneficial to shareholders and other stakeholders. This policy will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

**NOMINATIONS OF DIRECTORS**

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the Board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the British Columbia *Business Corporations Act* (the "**Act**"), or a requisition of the shareholders made in accordance with the provisions of the Act; or

(c) by any person (a "**Nominating Shareholder**"): (i) who, at the close of business on the date of the giving of the notice provided for below in this Policy and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth below in this Policy.

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

3. To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:

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

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(i) the name, age, business address and residential address of the person;

(ii) the principal occupation or employment of the person;

(iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and

(iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

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

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

6. For purposes of this Policy:

(a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and

(b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

7. Notwithstanding any other provision of this Policy, notice given to the Secretary of the Company pursuant to this Policy may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Ottawa time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

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

### **Currency**

This Policy was last revised and approved by the Board on September 26, 2013.

### **Governing Law**

This Policy shall be interpreted and enforced in accordance with the laws of British Columbia, and the federal laws of Canada applicable in that province.

“BE IT RESOLVED by an ordinary resolution of shareholders that:

1. The Advance Notice Policy adopted by the Board on September 26, 2013, and as described in the management information circular of the Company dated November 25, 2013, be and is hereby ratified, confirmed and approved.

### **(b) *Stock Option Plan***

#### Stock Option Plan

The Board has ratified the existing Option Plan described under ‘Executive Compensation – Stock Option Plan’. The previous Option Plan was created with the prospect of having the Corporation’s common shares listed on the TSX-V. The Company has since changed its short term plans and has ratified the Option Plan for a potential listing on another exchange. The terms of the plan have not changed significantly from the previous Option Plan with the exception that the previous Option Plan required stock option grants to be approved by the TSX Venture prior to the grant. The complete text of the Stock Option Plan is attached, below, as Schedule “B”.

Shareholder approval of the Stock Option Plan being sought at the Meeting.

Following approval of the Option Plan by the Shareholders, any options granted pursuant to the Option Plan will not require further Shareholder approval unless, for an option held by an insider of the Company, the exercise price is reduced.

The Board recommends that Shareholders vote in favour of the proposed resolution. The persons named in the Proxy or VIF as Proxyholders intend to vote the Shares represented by Proxies and VIFs in favour of these proposed resolutions.

“BE IT RESOLVED by an ordinary resolution of shareholders that:

1. The Stock Option Plan adopted by the Board on September 26, 2013, and as described in the management information circular of the Company dated November 25, 2013, be and is hereby ratified, confirmed and approved.

**(c) Other Matters**

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information for the Company's last financial year is provided in its comparative financial statements and MDA, and is also available on the SEDAR website.

DATED as of this 25<sup>th</sup> day of November 2013.

**BY ORDER OF THE BOARD**

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**LARRY HOOVER**  
**CHIEF EXECUTIVE OFFICER**

**Schedule "A"**  
**AUDIT COMMITTEE CHARTER**  
**RED ORE GOLD INC.**  
**(the "Company")**  
APPROVED BY AUDIT COMMITTEE  
(Implemented pursuant to Multilateral Instrument 52-110 (the "Instrument"))

*This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.*

**PART I**

**Purpose:**

*The purpose of the Committee is to manage and maintain the effectiveness of the financial aspects of the governance structure of the Company.*

**1.1 Definitions**

*In this Charter,*

*"accounting principles" has the meaning ascribed to it in National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;*

*"Affiliate" means a company that is a subsidiary of another company or companies that are controlled by the same entity;*

*"audit services" means the professional services rendered by the Company's external auditor for the audit and review of the Company's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;*

*"Board" means the board of directors of the Company;*

*"Charter" means this audit committee charter;*

*"Company" means **RED ORE GOLD INC.***

*"Committee" means the committee established by and among certain members of the Board for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company;*

*"Control Person" means any person that holds or is one of a combination persons that holds a sufficient number of any of the securities of the Company so as to affect materially the control of the Company, or that holds more than 20% of the outstanding voting shares of the Company, except where there is evidence showing that the holder of those securities does not materially affect control of the Company;*

*"executive officer" means an individual who is:*

- a) *the chair of the Company;*
- b) *the vice-chair of the Company;*
- c) *the President of the Company;*

- d) *the vice-president in charge of a principal business unit, division or function including sales, finance or production;*
- e) *an officer of the Company or any of its subsidiary entities who performs a policy-making function in respect of the Company; or*
- f) *any other individual who performs a policy-making function in respect of the Company;*

*"financially literate" has the meaning set forth in Section 1.3;*

*"immediate family member" means a person's spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person's immediate family member) who shares the individual's home;*

*"independent" has the meaning set forth in Section 1.2;*

*"Instrument" means Multilateral Instrument 52-110;*

*"MD&A" has the meaning ascribed to it in National Instrument 51-102;*

*"Member" means a member of the Committee;*

*"National Instrument 51-102" means National Instrument 51-102 Continuous Disclosure Obligations;*

*"non-audit services" means services other than audit services;*

## **1.2 Meaning of Independence**

1. *A Member is independent if the Member has no direct or indirect material relationship with the Company.*
2. *For the purposes of subsection 1, a material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgement.*
3. *Despite subsection 2 and without limitation, the following individuals are considered to have a material relationship with the Company:*
  - a) *a Control Person of the Company;*
  - b) *an Affiliate of the Company; and*
  - c) *an employee of the Company.*

**1.3 Meaning of Financial Literacy** -- *For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.*

## **PART 2**

- 2.1 Audit Committee** – *The Board has hereby established the Committee for, among other purposes, compliance with the requirements of the Instrument.*
- 2.2 Relationship with External Auditors** – *The Company will henceforth require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.*

## **2.3 Committee Responsibilities**

1. *The Committee shall be responsible for making the following recommendations to the Board:*
  - a) *the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and*
  - b) *the compensation of the external auditor.*
2. *The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:*
  - a) *reviewing the audit plan with management and the external auditor;*
  - b) *reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;*
  - c) *reviewing audit progress, findings, recommendations, responses and follow up actions;*
  - d) *reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;*
  - e) *reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtain an explanation from management of all significant variances between comparative reporting periods;*
  - f) *reviewing the evaluation of internal controls by the external auditor, together with management's response;*
  - g) *reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable; and*
  - h) *annual approval of audit mandate.*
3. *The Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the issuer's external auditor.*
4. *The Committee shall review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.*
5. *The Committee shall ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, and shall periodically assess the adequacy of those procedures.*
6. *When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31, and the planned steps for an orderly transition.*
7. *The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Policy 31, on a routine basis, whether or not there is to be a change of auditor.*

8. *The Committee shall, as applicable, establish procedures for:*
  - a) *the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and*
  - b) *the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.*
9. *As applicable, the Committee shall establish, periodically review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.*
10. *The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.*

#### **2.4 De Minimis Non-Audit Services**

1. *The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:*
  - a) *the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the fiscal year in which the services are provided;*
  - b) *the Company or the subsidiary of the Company, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and*
  - c) *the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.*

#### **2.5 Delegation of Pre-Approval Function**

1. *The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).*
2. *The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 1 must be presented to the Committee at its first scheduled meeting following such pre-approval.*

### **PART 3**

#### **3.1 Composition**

1. *The Committee shall be composed of a minimum of three Members.*
2. *Every Member shall be a director of the issuer.*
3. *The majority of Members shall be independent.*
4. *Every audit committee member shall be financially literate.*

### **PART 4**

#### **4.1 Authority**

1. *Until the replacement of this Charter, the Committee shall have the authority to:*



- a) *to engage independent counsel and other advisors as it determines necessary to carry out its duties,*
- b) *to set and pay the compensation for any advisors employed by the Committee,*
- c) *to communicate directly with the internal and external auditors; and*
- d) *recommend the amendment or approval of audited and interim financial statements to the Board.*

**PART 5**

- 5.1** ***Disclosure in Information Circular** -- If management of the Company solicits proxies from the security holders of the Company for the purpose of electing directors to the Board, the Company shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).*

**PART 6**

**6.1** ***Meetings***

- 1. *The Committee shall meet at such times during each year as it deems appropriate.*
- 2. *Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.*
- 3. *Minutes shall be kept of all meetings of the Committee.*

**RED ORE GOLD INC.**  
**(the “Company”)**

**STOCK OPTION PLAN**

**1. OBJECTIVES**

The Plan is intended as an incentive to enable the Company to:

- (a) attract and retain qualified Directors, Senior Officers, Employees and Consultants of the Company and its Affiliates;
- (b) promote a proprietary interest in the Company and its Affiliates among its Senior Officers, Directors, Employees, and Consultants; and
- (c) stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

**2. DEFINITIONS**

As used in the Plan, the terms set forth below shall have the following respective meanings:

“**Affiliate**” means a corporation that is affiliated with another corporation within the meaning of section 2 of the BCBCA;

“**Associate**” has the meaning ascribed thereto in the British Columbia Securities Act;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Board**” means the board of directors of the Company;

“**Committee**” means a committee of the Board that the Board may, in accordance with subsection 3.1, designate to administer the Plan;

“**Company**” means Red Ore Gold Inc., a company existing under the BCBCA;

“**Consultant**” means an individual or Consultant Company, other than an Employee, a Senior Officer, a Management Company Employee or a Director of the Company, that:

- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company other than services provided in relation to a distribution of securities;
- (b) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;

- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
- (d) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

“**Consultant Company**” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

“**Director**” means a member of the Board;

“**Employee**” means an individual who:

- (a) is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada), i.e. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source,
- (b) works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and method of work as an employee of the Company, but for whom income tax deductions are not made at source, or
- (c) works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and method of work as an employee of the Company, but for whom income tax deductions are not made at source;

“**Insider**” has the meaning ascribed thereto by section 1 of the Securities Act;

“**Investor Relations Activities**” has the meaning ascribed thereto by section 1 of the Securities Act;

“**Management Company Employee**” means an individual who is employed by a person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person providing Investor Relations Services;

“**Option**” means an option to purchase Shares granted under or subject to the terms of the Plan;

“**Option Agreement**” means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;

“**Option Period**” means the period for which an Option is granted;

“**Optionee**” means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

“**Other Share Compensation Arrangement**” means, other than the Plan and any Options, any employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including but not limited to a purchase of Shares from treasury which is financially assisted by the Company by way of loan, guarantee or otherwise;

“**Outstanding Issue**” means the number of Shares that are outstanding immediately prior to the Share issuance or Option grant in question;

“**Plan**” means this Stock Option Plan of the Company;

“**Securities Act**” means the *Securities Act* [RSBC 1996] CHAPTER 418, as amended, from time to time;

“**Senior Officer**” means an officer of the Company within the meaning ascribed thereto in the Securities Act;

“**Shares**” means common shares without par value in the capital stock of the Company as the same are presently constituted; and

### **3. ADMINISTRATION OF THE PLAN**

3.1 The Plan will be administered by the Board or by a Committee of two or more Directors who may be designated from time to time to serve as the Committee for the Plan, all of the sitting members of which shall be current Directors. Notwithstanding the existence of any such Committee, the Board itself will retain independent and concurrent power to undertake any action hereunder delegated to the Committee, whether with respect to the Plan as a whole or with respect to individual Options granted or to be granted under the Plan.

3.2 Subject to the limitations of the Plan, the Board shall have full power to grant Options, to determine the terms, limitations, restrictions and conditions respecting such Options and to settle, execute and deliver Option Agreements and bind the Company accordingly, to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan.

3.3 Notwithstanding any provision of this Plan, the Board may, in its discretion grant Options as it sees fit, or otherwise accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, provide for the extension of the Option Period of an outstanding Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either:

- (a) not adverse to the Optionee holding such Option; or

(b) consented to by such Optionee;

subject to any required approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company.

3.4 The Board or Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent deemed necessary or desirable to carry it into effect. Any decision of the Board or Committee in the interpretation and administration of the Plan shall lie within its absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Board or Committee shall be liable for anything done or omitted to be done by such member, by any other member of the Board or Committee or by any officer of the Company, in connection with the performance of any duties under the Plan, except those which arise from such member's own wilful misconduct or as expressly provided by statute.

3.5 All administrative costs of the Plan shall be paid by the Company.

#### **4. ELIGIBILITY FOR OPTIONS**

4.1 Options may be granted to Employees, Senior Officers, Directors, Management Company Employees and Consultants of the Company and its Affiliates, including an issuer all the voting securities of which are owned by such persons, who are, in the opinion of the Board or Committee, in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates, are in the opinion of the Board or Committee, worthy of special recognition. Except as may be otherwise set out in this Plan, the granting of Options is entirely discretionary. Nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and the designation of any Optionee in any year or at any time shall not require the designation of such person to receive an Option in any other year or at any other time. The Board or Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amounts and terms of their respective Options.

4.2 If an Optionee who is granted an Option is an Employee, Management Company Employee or Consultant of the Company or any of its Affiliates, the Option Agreement pertaining to such Option shall contain a representation by both the Company and the Optionee that the Optionee is a bona fide Employee, Management Company Employee or Consultant of the Company or its Affiliates.

4.3 Subject to the acceptance of this Plan and receipt of shareholder approval, any options over securities of the Company previously granted by the Company which remain outstanding as at **February 22, 2011** will be deemed to have been issued under and will be governed by the terms of the Plan provided that, in the event of inconsistency between the terms of the agreements governing such options previously granted and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of such options granted previously will be included for the purpose of calculating the amounts set out in subsection 5.1 hereof.

4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor

Company thereof or any Affiliate thereof, whether such outstanding options were granted under the Plan, under any other stock option plan of the Company or any predecessor Company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor Company or Affiliate thereof.

- 4.5 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of one or more other companies in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other companies the Company or any of its Affiliates.

## **5. NUMBER OF SHARES RESERVED UNDER THE PLAN**

- 5.1 The number of Shares that may be reserved for issuance under the Plan, is limited as follows:

- (a) the maximum aggregate number of Shares reserved for issuance pursuant to the exercise of Options granted under the Plan shall be 10% of the Outstanding Issue as at the date of a stock option grant (including Shares issuable upon the exercise of outstanding stock options as of **February 22, 2011**, referred to in subsection 4.3 hereof), provided that:
- (i) if any Option subject to the Plan is forfeited, expires, is terminated or is cancelled for any reason whatsoever (other than by reason of exercise), then the maximum number of Shares for which Options may be granted hereunder shall be increased by the number of Shares which were the subject of such forfeited, expired, terminated or cancelled Option; and
  - (ii) such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares;
  - (iii) the maximum aggregate number of Options granted to Insiders under the Plan together with any Other Share Compensation Arrangement within a 12 month period may not exceed 10% of the Outstanding Issue at the time of grant, unless the Company has obtained “disinterested shareholder”;
  - (iv) the maximum aggregate number of Shares that may be reserved under the Plan or any Other Share Compensation Arrangement for issuance to any one Consultant within a 12 month period shall not exceed 2% of the Outstanding Issue at the time of grant;
  - (v) the maximum aggregate number of Shares that may be reserved under the Plan or any Other Share Compensation Arrangement for issuance to persons who are employed in Investor Relations Activities within a 12 month period shall not exceed 2% of the Outstanding Issue at the time of grant;
  - (vi) the maximum aggregate number of Shares that may be reserved for issuance under Options granted to Insiders pursuant to the Plan, may not exceed 10% of the Outstanding Issue at the time of grant, unless the Company has obtained “disinterested shareholder”;

- (b) Subject to the discretion of the Board of Directors an Option shall vest and may be exercised (in each case to the nearest full Share) during the Option Period in accordance with any vesting schedule as the Board may determine from time to time in its sole discretion.

## **6. NUMBER OF SHARES PER OPTION**

- 6.1 The number of Shares under an Option shall be determined by the Board or Committee, in its discretion, at the time such Option is granted, taking into consideration the Optionee's present and potential contribution to the success of the Company and taking into account all other Options then held by such Optionee, but subject always to the limitations set forth in subsection 5.1.

## **7. HOLD PERIOD**

- 7.1 All Options granted to Directors and Senior Officers, or Options with an exercise price based on the Discounted Market Price, will be subject to a four month hold period commencing from the date of grant and any Shares issued pursuant to the exercise of an Option prior to the expiry of the hold period will bear the following legend:

“the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise in Canada or to or for the benefit of a Canadian resident until **[four months + 1 day from the date of grant].**”

## **8. PRICE**

- 8.1 The exercise price per Share under an Option shall be determined by the Board or Committee, in its discretion, at the time such Option is granted, but such price shall not be less than \$0.05, being the minimum exercise price.

The exercise price at which, and the number of optioned securities for which, an outstanding Option may be exercised following a subdivision or consolidation of the Shares shall be subject to adjustment in accordance with section 12.

## **9. OPTION PERIOD AND EXERCISE OF OPTIONS**

- 9.1 The Option Period for an Option shall be determined by the Board or Committee at the time the Option is granted and may be up to ten (10) years from the date the Option is granted. At the time an Option is granted, the Board or Committee may determine that, with respect to that Option, upon the occurrence of one of the events described in subsection 11.1 there shall come into force a time limit for exercise of such Option which is different than the Option Period, and in the event of such a determination, the Option Agreement for such Option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum Option Period provided for in this subsection 9.1 and subject to applicable regulatory requirements and approvals, the Board or Committee may extend the Option Period of an outstanding Option beyond its original expiration date, (whether or not such Option is held by an Insider).

- 9.2 Options issued to Consultants who perform Investor Relations Activities will be subject to a vesting schedule whereby no more than 25% of the options granted may be vested in any three month period.
- 9.3 If there is a takeover bid made for all or any of the issued and outstanding Shares, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall be exercisable in full to enable the Shares subject to such Options to be issued and tendered to such bid.
- 9.4 The vested portions of Options will be exercisable, in whole or in part, at any time after vesting. If an Option is exercised for fewer than all of the Shares for which the Option has then vested, the Option shall remain in force and exercisable for the remaining Shares for which the Option has then vested, according to the terms of such Option.
- 9.5 The exercise of any Option will be contingent upon receipt by the Company of cash payment in full for the exercise price of the Shares being purchased by way of certified cheque, wire transfer or bank draft. Neither an Optionee nor the legal representatives, legatees or distributees of such Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issuable to the Optionee or such other persons pursuant to the Option or the Plan.

## **10. STOCK OPTION AGREEMENT**

- 10.1 Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the Option Period and the vesting schedule for the Option, if any, and incorporating the terms and conditions of the Plan and any other requirements of regulatory authorities and stock exchanges having jurisdiction over the securities of the Company, together with such other terms and conditions as the Board or Committee may determine in accordance with the Plan.

## **11. EFFECT OF TERMINATION OF EMPLOYMENT OR DEATH**

- 11.1 An outstanding Option shall remain in full force and effect and exercisable according to its terms for the Option Period until the Optionee ceases to be a Director, Employee, Non Employee Director, Management Company Employee, Senior Officer or Consultant of the Company for any reason, excluding death, after which time the Option will expire on the earlier of (i) the original expiry date of such option and (ii) up to one year following the date the Optionee ceases to be an eligible Optionee under the Plan as determined by the Board or Committee, in its discretion.
- 11.2 In the event of the death of an Optionee, an Option which remains exercisable may be exercised in accordance with its terms by the person or persons to whom such Optionee's rights under the Option shall have passed under the Optionee's will or pursuant to law, for a period not exceeding the earlier of one year from the Optionee's death and the original expiry date of such Option.

## **12. ADJUSTMENT IN SHARES SUBJECT TO THE PLAN**

- 12.1 Following the date an Option is granted, the exercise price for and the number of Shares which are subject to an Option will be adjusted, with respect to the then unexercised



portion thereof, in the events and in accordance with the provisions and rules set out in this section 12, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved and maintained notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board or Committee, and any such determination will be binding on the Company, the Optionee and all other affected parties.

- 12.2 If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another Company or entity, whether through an arrangement, amalgamation, merger, business combination, sale or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Optioned Share for which the Option is exercised, the Optionee shall instead receive the number and kind of shares or other securities of the Company or other Company into which such Share would have been changed or for which such Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the Option is preserved, and if the Company undertakes an arrangement or is amalgamated, merged or combined with another company, the Board shall make such other provision for the protection of the rights of Optionees as it shall deem advisable.
- 12.3 If the outstanding Shares are changed into or exchanged for a different number of shares or into or for other securities of the Company or securities of another Company or entity, in a manner other than as specified in subsection 12.2, then the Board or Committee, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board or Committee in its sole and absolute discretion determines to be equitable to give effect to the principle described in subsection 12.1, and such adjustments shall be effective and binding upon the Company and the Optionee for all purposes.
- 12.4 No adjustment or substitution provided for in this section 12 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.
- 12.5 The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

### **13. NON-ASSIGNABILITY**

- 13.1 The Options under the Plan shall not be assignable or otherwise transferable, except as specifically provided in subsection 11.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all Options may only be exercised by the Optionee.

### **14. EMPLOYMENT**

- 14.1 Nothing contained in the Plan shall confer upon any Optionee, or any person employing a Management Company Employee, any right with respect to employment or continuance

of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or the services of any such person at any time. Participation in the Plan by an Optionee is voluntary.

## **15. SECURITIES REGULATION AND TAX WITHHOLDING**

- 15.1 Where necessary to enable the Company to use an exemption from requirements to register Shares or file a prospectus or use a registered dealer to distribute Shares under securities laws applicable to the securities of the Company in any jurisdiction, an Optionee, upon the acquisition of any Shares on the exercise of Options and as a condition to such exercise, shall provide to the Board or Committee such evidence as the Board or Committee requires to demonstrate that the Optionee or recipient will acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, including an undertaking to that effect in a form acceptable to the Board or Committee. The Board or Committee may cause a legend or legends to be placed upon any certificates for the Shares to make appropriate reference to applicable resale restrictions, and the Optionee or recipient shall be bound by such restrictions. The Board or Committee also may take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the Shares under any securities laws applicable to the securities of the Company.
- 15.2 For all purposes of the Plan, the Company may take all such measures as it deems appropriate or necessary to comply with applicable laws, including income tax laws and securities laws and regulations, as well as the rules of regulatory authorities having jurisdiction over the Company or in respect of the securities of the Company. Without limitation to the foregoing, the Company may withhold and remit to tax authorities such sums which might otherwise be due or accruing due by the Company to an Optionee, if such withholding and remittance are required under applicable income tax laws in connection with the grant or exercise of the Optionee's Options.
- 15.3 Issuance, transfer or delivery of certificates for Shares acquired pursuant to the Plan may be delayed, at the discretion of the Board or Committee, until it is satisfied that the requirements of applicable laws and regulations, and applicable rules of regulatory authorities, have been met.

## **16. AMENDMENT AND TERMINATION OF PLAN**

- 16.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject the approval of the shareholders of the Company.

## **17. NO REPRESENTATION OR WARRANTY**

- 17.1 The Company makes no representation or warranty as to the future market value of any Shares.

## **18. GENERAL PROVISIONS**

- 18.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements and such arrangements may be either generally applicable or applicable only in specific cases.
- 18.2 The validity, construction and effect of the Plan, the grant of Options, the issue of Shares, any rules and regulations relating to the Plan any Option Agreement, and all determinations made and actions taken pursuant to the Plan, shall be governed by and determined in accordance with the laws of the Province of British Columbia.
- 18.3 If any provision of the Plan or any Option Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person, or Option and the remainder of the Plan and any such Option Agreement shall remain in full force and effect.
- 18.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.
- 18.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

## **19. TERM OF THE PLAN**

- 19.1 The Plan shall be effective as of **January 15, 2014** subject to its approval by the shareholders of the Company. The Plan shall be effective until the Plan is terminated by the Board pursuant to section 16, and no Option shall be granted under the Plan after that date. Unless otherwise expressly provided in the Plan or in an applicable Option Agreement, the Option Period for any Option granted hereunder will, and any authority of the Board to amend, alter, adjust, suspend, discontinue or terminate any such Option or to waive any conditions or rights under any such Option shall, continue after termination of the Plan notwithstanding such termination.