

**MANAGEMENT PROXY AND INFORMATION CIRCULAR**

**and**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**of**

**ALTITUDE RESOURCES INC.**

This Management Proxy and Information Circular is furnished in connection with the solicitation of proxies by management of Altitude Resources Inc. ("**Altitude**" or the "**Corporation**") to be voted at the Annual General Meeting of the shareholders of Altitude to be held on October 12, 2016.

Dated as of September 9, 2016



**ALTITUDE RESOURCES INC.**  
**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**October 12, 2016**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the holders of Common Shares (the "**Shareholders**") of Altitude Resources Inc. (the "**Corporation**") is to be held at 736 – 8<sup>th</sup> Avenue SW, 3<sup>rd</sup> Floor Conference Centre, Calgary, Alberta at **10:00 a.m.** (Calgary time) on October 12, 2016 and any adjournment or adjournments thereof (the "**Meeting**") for the following purposes, namely;

1. to set the number of directors to be elected at the Meeting at five (5) members;
2. to elect Andrew Wusaty, Gene Wusaty, George W. Roberts, Pierre G. Gagnon and Doug Porter as directors for the ensuing year;
3. to appoint Collins Barrow Toronto LLP Chartered Accountants, as auditors for the ensuing year, and to authorize the directors to fix the remuneration of the auditors;
4. to approve the stock option plan of the Corporation, as more particularly set forth in the management information circular of the Corporation; and
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Only holders of record at the close of business on September 12, 2016 (the "**Record Date**") of common shares in the capital of the Corporation (the "**Shares**") are entitled to notice of the Meeting or any adjournment or adjournments thereof and to vote thereat unless, after the Record Date, a holder of record transfers his Shares and the transferee, not later than ten days before the Meeting, produces properly endorsed certificates evidencing such Shares or otherwise establishes that he owns such Shares and requests that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Shares at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person or company (who need not be a Shareholder) as their proxy to attend and vote in their place. Shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to the Corporation's transfer agent, TSX Trust Company, 200 University Avenue, Suite 200, Toronto, Ontario M5H 4H1 or faxed to (416) 595-9593 on or before 1:00 p.m. (Calgary time) on October 10, 2016. Shareholders may also vote online at [www.tmxequitytransferservices.com](http://www.tmxequitytransferservices.com). To vote online you will require the control number which is on the form of proxy.

Calgary, Alberta  
September 9, 2016

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "*Doug Porter*"  
Chief Financial Officer and Director

**ALTITUDE RESOURCES INC.**

**INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL MEETING OF THE HOLDERS OF COMMON  
SHARES TO BE HELD ON OCTOBER 12, 2016**

THIS MANAGEMENT INFORMATION CIRCULAR (the "**Circular**") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF ALTITUDE RESOURCES INC. (the "**Corporation**") for use at the annual general meeting of the holders (the "**Shareholders**") of common shares (the "**Shares**") of the Corporation to be held at 736 – 8<sup>th</sup> Avenue SW, 3<sup>rd</sup> Floor Conference Centre, Calgary, Alberta, on October 12, 2016 at 10:00 a.m. (Calgary time) and any adjournment or adjournments thereof (the "**Meeting**") for the purposes set forth in the accompanying Notice of Meeting. Information contained in this Circular is given as at September 9, 2016 unless otherwise stated.

**SOLICITATION OF PROXIES**

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor. The cost of solicitation will be borne by the Corporation.

**RECORD DATE**

September 12, 2016 is the record date for the Meeting. Only registered holders of Shares at the close of business on the record date are entitled to notice of the Meeting and to vote thereat unless, after the record date, a registered holder transfers his Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he owns such Shares, requests not later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Shares at the Meeting.

**APPOINTMENT AND REVOCATION OF PROXIES**

Registered Shareholders may vote in person at the Meeting or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are directors and officers of the Corporation. Shareholders may also vote online at [www.cstvotemyproxy.com](http://www.cstvotemyproxy.com). To vote online, shareholders will require the control number which is located on the form of proxy.

**A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM OR HER AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.**

In order to be effective, the proxy must be mailed so as to be deposited at the office of the Corporation's transfer agent, at TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 or faxed to (416) 595-9593, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his duly authorized attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

A Shareholder who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or his duly authorized attorney, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either at the office of the Corporation's transfer agent, TSX Trust Company, 200 University Avenue, Suite 200, Toronto, Ontario M5H 4H1 or faxed to (416) 595-9593, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

#### **EXERCISE OF DISCRETION BY PROXY HOLDERS**

All Shares represented at the Meeting by properly executed proxies will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy the Shares represented by the proxy will be voted or withheld from voting in accordance with such specification. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH SHARES WILL BE VOTED IN FAVOUR OF ALL OF THE MATTERS SET FORTH IN THE CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of the Circular, management of the Corporation knows of no such amendment, variation or other matter.

#### **ADVICE TO BENEFICIAL HOLDERS OF SECURITIES**

**The information set forth in this section is of significant importance to many public Shareholders of the Corporation, as a substantial number of the public Shareholders of the Corporation do not hold shares in their own name.**

Shareholders who do not hold their Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted or withheld from being voted upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the applicable Meeting. **A Beneficial Shareholder receiving a Broadridge proxy cannot use that proxy to vote Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

Management of the Corporation does not intend to pay for intermediaries to forward to objecting Beneficial Shareholder under National Instrument 54-101 the proxy-related materials and Form 54-107F7 – Request for Voting Instructions Made by an Intermediary. As a result, an objecting Beneficial Shareholder will not receive the materials unless the objecting Beneficial Shareholder's intermediary assumes the cost of delivery.

#### **VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES**

The Corporation is authorized to issue an unlimited number of Shares. As at September 9, 2016, there were 23,055,908 Shares outstanding. Holders of Shares are entitled to one vote for each Share held by them.

To the best of the knowledge of the directors and officers of the Corporation, other than as disclosed below, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Shares.

<b>Name</b>	<b>Number of Shares Held</b>	<b>Percentage of Outstanding Shares</b>
Gene Wusaty	7,287,300	31.5%
Dermot Lane	3,330,000	14.4%

#### **QUORUM FOR MEETING**

Pursuant to the by-laws of the Corporation, a quorum for the transaction of business at the Meeting shall be one or more persons present and holding or representing by proxy not less than 2.5% of the Shares entitled to be voted at the Meeting.

#### **APPROVAL REQUIREMENTS**

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in

person or represented by proxy at the Meeting.

### MATTERS TO BE ACTED UPON AT THE MEETING

The following are the matters to be acted upon at the Meeting:

#### ***Fixing the Number of Directors***

The Shareholders will be asked to consider a resolution fixing the number of directors of the Corporation to hold office until the next annual meeting of the Shareholders. Management of the Corporation proposes that the number of directors be set at **five (5)**. There are presently five (5) directors of the Corporation, each of whom retires from office at the Meeting. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors of the Corporation to be elected at the Meeting at five (5).**

#### ***Election of Directors***

The Shareholders will be asked to consider resolutions electing directors of the Corporation to hold office until the next annual meeting of the Shareholders. The following table provides the names and cities of residence of all persons nominated by management of the Corporation for election as directors, the position each currently holds with the Corporation, the principal occupations of such persons for the prior five years and the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each as at September 9, 2016.

Nominees	Office and Periods Held	Principal Occupation	Shares Beneficially Owned, Controlled or Directed
<b>Andrew Wusaty</b> Calgary Alberta, Canada	Director since December 2012, President and Chief Executive Officer and from December 2012 to October 2013	Since 2014, Project Manager, On-Site Services Division with Secure Energy Services Inc., a Calgary-based diversified energy services company. Prior thereto, he was a Senior Advisor at Sustainability Pty. Ltd., an Australian based consultancy firm specializing in occupational security and sustainability.	1,325,100
<b>Gene Wusaty</b> Calgary Alberta, Canada	Director since December 2012; President and Chief Executive Officer since November 2013	Since November 2013, President & Chief Executive Officer of Altitude. Prior thereto, he was a Managing Director and Chief Executive Officer of Coalspur Mines Ltd. Previously, he was President of Ivanhoe Mines Ltd.'s Coal Division and then Chief Operating Officer of SouthGobi Energy Resources Ltd. following its acquisition of Ivanhoe Mines Ltd. Coal Division in 2006. Prior to joining Ivanhoe Mines Ltd., Mr. Wusaty served as Vice President and Chief Operating Officer of Grande Cache Coal Corporation. He has	7,287,300

		also worked with Elk Valley Coal, Fording Coal and Quintette Coal in various senior positions.	
<b>George W. Robert,</b> Toronto Ontario, Canada <sup>(1)</sup>	Director since August 2011	He is currently a Mineral Engineering Consultant at the Toronto office of American law firm, Dorsey & Whitney LLP. Previously, he was Vice-president of the mining group of the Canadian law firm Heenan Blaikie LLP, specializing in the economic evaluation and development of mineral deposits. He brings to the Corporation more than 30 years of experience in mineral exploration, mining operations, project engineering and management, as well as diverse mining engineering experience that includes precious and base metals, iron ore, rare earth metals and industrial minerals. Mr. Roberts is a licensed Professional Engineer of Ontario since 1984 and has held numerous positions in the mining industry, which include Canada Talc limited, Derry, Michener, Booth & Wahl, Davy International, Aker Kvaerner mining & metals, BLM Bharti Engineering, GMP, Inco Ltd., and as Vice- President of Corporate Development at Breakwater Resources Ltd.	227,900
<b>Pierre G. Gagnon</b> Oakville Ontario, Canada <sup>(1)</sup>	Director since August 2011	Mr. Gagnon is currently the President of Chancery Investments Inc. He is an advisor to Shotgun Fund and Succession Fund. Mr. Gagnon is a director of Baymount Incorporated, The Mint Corporation, Spruce Ridge Resources Ltd., as well as a number of private companies. He has over 25 years of experience in commercial banking and M&A. He is also a director of Halton Healthcare Services Foundation and Oakville Galleries.	125,000
<b>Doug Porter</b> Calgary	Director and Chief Financial	Since 1997, Mr. Porter has been the Managing Director of Porter	291,000



Alberta, Canada <sup>(1)</sup>	Officer since December 2012 Corporate Secretary since July 2014	Valuations & Financial Consulting Inc., a specialty business firm providing valuation and financial consulting services. He is also CFO and Director of each of (i) Guatavita Gold Corporation, a privately-held mineral explorer located in Colombia, (ii) North Sur Resources Inc., a publicly-traded resource issuer, and (iii) Manson Creek Resources Inc., a publicly-traded mining company.	
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**Note:**

(1) Member of Audit Committee.

Each of the directors of the Corporation will hold office until the next annual meeting of the Corporation shareholders or until his successor is duly elected or appointed, unless his office be earlier vacated in accordance with the Corporation's articles or by-laws.

The directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over 9,256,300 Shares. This represents approximately 39.9% of the number of Shares outstanding.

**Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form for the election of the above mentioned persons to the board of directors of the Corporation.** Management 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, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder has specified in his proxy that his Shares are to be withheld from voting on the election of directors.

***Appointment of Auditors***

Shareholders will be asked to consider a resolution appointing auditors of the Corporation to act until the next annual meeting of the Shareholders and to authorize the directors to fix the remuneration of the auditors. Management proposes that the firm of Collins Barrow Toronto LLP, Chartered Accountants, Toronto, Ontario, be appointed as auditors of the Corporation. Collins Barrow Toronto LLP have been the auditors of the Corporation since the inception of its predecessor, Triumph Ventures III Corporation, in July 2011. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of appointing Collins Barrow Toronto LLP as auditors of the Corporation and authorizing the directors to fix the remuneration of the auditors.

***Approval of Rolling Stock Option Plan of the Corporation***

Policy 4.4 *Incentive Stock Options* of the TSX Venture Exchange ("**TSXV**") requires that rolling stock option plans must receive shareholder approval annually. The Shareholders last approved the Corporation's stock option plan on June 24, 2015 and the proposed stock option plan (the "**Plan**") does not differ from the previously approved plan.

## ***Terms of the Plan***

Directors, officers, consultants and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services or investor relations services to the Corporation or its subsidiaries may participate in the Plan. The purpose of the Plan is to provide the participants with an opportunity to purchase Shares and to benefit from the appreciation thereof. This will provide an increased incentive for the participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its subsidiaries to attract and retain individuals of exceptional skill.

Under the Plan, options to purchase Shares ("**Options**") may be granted in such numbers and with such vesting provisions as the Board may determine.

The price per share at which Shares may be purchased under an Option shall be fixed by the Board when the Option is granted, provided that such price shall not be less than the price permitted by the TSXV. Once the exercise price has been determined by the Board, accepted by the TSXV and the option has been granted, the exercise price of an option may only be reduced, in the case of options held by insiders of the Corporation if disinterested shareholder approval is obtained at a meeting of the shareholders.

The Plan also provides that the Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- the number of outstanding Options exceeding 10% of the issued and outstanding Shares at any time; and
- the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Shares (or 2% of the issued and outstanding Shares in the case of an Optionee who is a Consultant or an Employee conducting Investor Relations Activities (as such terms are defined in TSXV policies)).

In the event of the death of a participant on or prior to the expiry time of an Option, such Option may be exercised as to such of the Shares in respect of which such Option has not previously been exercised (including in respect of the right to purchase Shares not otherwise vested at such time), by the legal personal representatives of the participant at any time up to and including (but not after) a date one (1) year following the date of death of the participant or the expiry time of such Option, whichever occurs first.

Pursuant to the Plan, the Corporation can, at any time, have a number of Options outstanding equal to up to 10% of the then issued and outstanding number of Shares. In the event of the exercise or cancellation of any Options, the Corporation could make a further grant of Options, provided that the 10% maximum is not exceeded. In that regard, the Plan is a "rolling" stock option plan.

Policy 4.4 *Incentive Stock Options* of the TSXV requires that rolling stock option plans must receive shareholder approval annually, at an issuer's annual meeting. In accordance with Policy 4.4, shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving, adopting and ratifying the Plan as the Corporation's stock option plan. In order for the resolution approving and adopting the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the**

**resolution approving the Plan.**

The complete text of the ordinary resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

**"BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:**

- 1. the stock option plan of the Corporation substantially in the form attached to the Corporation's management information circular dated September 9, 2016 as Appendix B be and is hereby approved, ratified and confirmed, subject to applicable regulatory approval (the "Plan");**
- 2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the Board acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation;**
- 3. all issued and outstanding stock options previously granted, including stock options previously granted pursuant to previous stock option plans, be and are continued and are hereby ratified, confirmed and approved;**
- 4. the shareholders of the Corporation hereby expressly authorize the Board to revoke this resolution before it is acted upon without further approval of the shareholders in that regard; and**
- 5. any one (or more) director(s) or officer(s) of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution."**

***Outstanding Options Available for Issuance***

The following table summarizes, as of July 31, 2015 the number of Options that have been exercised under the Plan since its inception, the number of Options outstanding as of July 31, 2015, the number of Options remaining available for grant as of July 31, 2015.

	Number	Percentage of Currently Outstanding Shares
Options exercised, expired or cancelled since inception	nil	nil
Options outstanding	2,137,262	9.2%
Options available for grant	180,328	0.8%

## **Other Business**

The financial statements of the Corporation for the financial year ended July 31, 2015 will be put before the Shareholders at the Meeting. The officers of the Corporation will report on recent events of significance to the Corporation and on other matters of interest to the Shareholders. The directors and officers of the Corporation are not aware of any matters, other than those indicated above, which may be submitted to the Meeting for action. However, if any other matters should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

## **CORPORATE GOVERNANCE DISCLOSURE**

Every issuer that is listed on the Exchange is required under National Instrument 58-101 – *Corporate Governance Disclosure* ("**NI 58-101**") and Exchange Policy 3.1 – *Directors, Officers, Other Insiders & Personnel and Corporate Governance* to disclose annually in its information circular certain information concerning its corporate governance practices. The board of directors of the Corporation (the "**Board**") is responsible for the governance of the Corporation. The Board and senior management consider good governance to be central to the effective and efficient operation of the Corporation. Listed below is a brief discussion of the Board's approach to governance of the Corporation.

### **1. Board of Directors**

The Board operates under a written mandate which outlines and sets guidelines for the Board's overseeing role. The Board facilitates its exercise of independent supervision of management of the Corporation by ensuring that the Board is composed of a majority of independent directors, as defined in National Instrument 52-110 – *Audit Committees*. Currently, the Board is comprised of five members, three of whom are independent. Gene Wusaty and Doug Porter, each being an officer of the Corporation are not deemed to be independent.

The Board is responsible for approving long-term strategic plans and annual operating budgets recommended by management. Board consideration and approval is also required for material contracts and business transactions, and all debt and equity financings.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the business of the Corporation in the ordinary course, evaluating new business opportunities and challenges, recruiting people and meeting all legal and regulatory requirements of the business.

### **2. Directorships**

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>	<b>Term</b>
Andrew Wusaty	N/A	N/A	N/A	N/A
Doug Porter	Forent Energy Ltd. Manson Creek Resources Ltd.	TSXV TSXV	Director Director Officer	December 2008 – June 2014 April 2006 – Present June 2012 - Present
	North Sur Resources Inc. Northern Abitibi Mining Corp.	TSXV TSXV	Director & Officer Officer	January 2011 – Present June 18, 2012 – Present
Gene Wusaty	Coalspur Mines Ltd. SouthGobi Energy Resources	TSXV TSXV	Director & Officer Director & Officer	August 2009 – June 2012 May 2007 – August 2009

	Ltd.			
Pierre Gagnon	Baymount Incorporated	TSXV	Director	June 2008 – Present
	Spot Coffee Inc.	TSXV	Director	April 2008 – June 2011
	Tangarine Payment Solutions Corp.	TSXV	Director	September 2005 – March 2009
	Triumph Ventures II Corp.	TSXV	Director	July 2011 – Present
	DealNet Capital Corp.	TSXV	Director	June 2012 – Present
	The Mint Corporation	TSXV	Director	January 2014 – Present
	Abba Medix Group Inc.	TSXV	Director	May 2015 - Present
George W. Roberts	VMS Ventures	TSXV	Director	September 2014- April 2016
	Sparton Resources Inc.	TSXV	Director	June 2010 – May 2015
	BCGold Corp.	TSXV	Director	September 2011 – March 2013
	Polar Star Mining Corp.	TSXV	Director	April 2009 – February 2010
	Breakwater Resources Ltd.	TSXV	Senior Officer	May 2006 – March 2008
	Gravitas Financial Inc.	TSXV	Director	October 2012 – June 2013
	Canoe Mining Ventures Corp.	TSXV	Director	Dec 2011 – December 2013
	Golden Share Mining Corp.	TSX	Director	May 2015 - Present

### 3. Orientation and Continuing Education

The Board does not have any formal procedure to orient new board members nor does it have a formal policy of providing continuing education for directors. When a new director is appointed, they have the opportunity to meet the other directors, management and employees, with orientation tailored to the needs and experience of the new director, as well as the overall needs of the Board. Pursuant to the Board mandate, new directors are provided with written information about the Board committees and the business and operations of the Corporation and documents from recent Board meetings. New Board members are provided with a copy of the mandate.

The Corporation relies upon its professional advisors to update the knowledge of the Board members in respect to changes in relevant policies and regulations. The Board expects to select any new members from persons who have the requisite knowledge and experience to ensure that the lack of formal policy will not detract from the performance of its members.

As an ongoing process, the Board considers management development (including training and monitoring senior management) based mainly on periodic reports to the Board by the President and Chief Executive Officer. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, to attend related industry seminars and conventions and to visit the Corporation's operations. Board members have full access to the Corporation's records.

### 4. Ethical Business Conduct

The Board currently has a written code of business conduct and ethics and a formal "whistleblower policy" (the "**Policy**"). The Audit Committee monitors compliance with the Policy, and reviews the Policy periodically, recommending any changes to the Board. The Corporation has also adopted a trading policy and a corporate disclosure policy which together aim to ensure that persons who have access to material, undisclosed information concerning the Corporation or its affiliates will not take use of it by trading in securities of the Corporation or tipping others before information has been fully disclosed to the public. The corporate disclosure policy provides further guidance on the Corporation's approach to disclosure and confidentiality of information.

The Board does not take any formal measures to encourage and promote a culture of ethical business conduct, but, does rely upon the selection of persons as directors, officers and employees who they consider to meet the highest ethical standards.

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (Ontario), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

## **5. Nomination of Directors**

The Board as a whole is responsible for nominating new members of the Board and assessing members of the Board on an ongoing basis. The Board considers succession planning (including appointment of senior management) based mainly on periodic reports to the Board by the President, Chief Executive Officer and Chief Financial Officer. The Board annually reviews the general and specific criteria to consider when directors are being appointed to the Board. The objective of this review is to recommend that appointments be made to provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation. The review takes into account the desirability of maintaining a balance of skills, experience and background, with appropriate diversity, along with the key common characteristics required for effective Board participation.

## **6. Compensation**

The directors of the Corporation are not entitled to cash compensation for the performance of their duties as directors of the Corporation though they do receive reimbursement for expenses incurred in attending meetings. Periodically, the directors may receive grants of stock options, pursuant to the Plan. For a more detailed discussion of the officers and directors' compensation, please see "Executive Compensation" below.

## **7. Assessments**

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review has regard to the mandate or charter of the Board or committee and identifies any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of the individual directors, having regard to the competencies and skills each director is expected to bring to the Board.

# **AUDIT COMMITTEE**

## **Audit Committee Charter**

The audit committee of the Board operates under a written charter that sets out its responsibilities and composition requirements. A copy of the charter is attached to this Circular as Appendix A.

## **Composition of the Audit Committee**

The members of the audit committee are Doug Porter, Pierre G. Gagnon and George W. Roberts. The audit committee charter requires that a majority of the members be independent within the meaning of National Instrument 52-110, and that at least one member be financially literate. Pierre G. Gagnon and

G. Wes Roberts are independent and each of them are financially literate.

The following sets out the education and experience of each director relevant to the performance of his/her duties as a member of the audit committee.

**Doug Porter**

Mr. Porter is a Chartered Accountant and Chartered Business Valuator. Since 1997, Mr. Porter has been the Managing Director of Porter Valuations & Financial Consulting Inc., a specialty business firm providing valuation and financial consulting services. He is also CFO and Director of each of (i) Guatavita Gold Corporation, a privately-held mineral explorer located in Colombia, (ii) North Sur Resources Inc., a publicly-traded resource issuer, and (iii) Manson Creek Resources Inc., a publicly-traded mining company.

**Pierre G. Gagnon**

Pierre G. Gagnon is the Chair of Pheet Inc., a chain of clinics specializing in foot care. He is a Director of Gravitas Inc., a private Investment Bank. Mr. Gagnon was the chair of Copernicus Educational Products Inc. from 2006 to 2009. He is also a director of Halton Healthcare Services Foundation and Oakville Galleries.

**George W. Roberts**

George W. Roberts is a licensed Professional Engineer of Ontario since 1984 and is currently a Mineral Engineering Consultant with Dorsey & Whitney LLP. He was previously the vice-president of the mining group of the Canadian law firm Heenan Blaikie LLP, specializing in the economic evaluation and development of mineral deposits. Mr. Roberts has more than 30 years of experience in mineral exploration, mining operations, project engineering and management, as well as diverse mining engineering experience that includes precious and base metals, iron ore, rare earth metals and industrial minerals. Mr. Roberts has held numerous positions in the mining industry, which include Canada Talc Limited, Derry, Michener, Booth & Wahl, Davy International, Aker Kvaerner mining & metals, BLM Bharti Engineering, GMP, Inco Ltd. and as Vice-President of Corporate Development at Breakwater Resources Ltd.

**Auditors' Fees**

Collins Barrow Toronto LLP, Chartered Accountants have been the auditors of the Corporation since the inception of its predecessor, Triumph Ventures III Corporation, on July 2011. The table below sets out the aggregate fees billed by Collins Barrow Toronto LLP to the Corporation in the fiscal years ended on July 31, 2014 and July 31, 2015.

	Year Ended July 31, 2015	Year Ended July 31, 2014
Audit Fees <sup>(1)</sup>	\$22,000	\$20,000
Tax	1,450	13,905
Total	<u>\$23,450</u>	<u>\$33,905</u>

**Note:**

(1) These fees relate to services consisting of audit and review of the financial statements and other required securities filings.

**Exemption**

The Corporation is relying on the exemption from NI 52-110 – *Audit Committees* specified in Section 6.1 of that instrument.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This discussion describes the Corporation's compensation program for each person who acted as Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers (or three most highly compensated individuals acting in a similar capacity), other than the CEO and the CFO, whose compensation was more than \$150,000 during the financial year ended July 31, 2014 (each a "Named Executive Officer" or "NEO" and collectively the "Named Executive Officers" or "NEOs"). This section will address the Corporation's executive compensation philosophy and objectives and provide a review of the process the Corporation's Board of Directors undertakes in deciding how to compensate the Corporation's Named Executive Officers. This section will also provide discussion and analysis of the Board's specific decisions about the compensation of the Named Executive Officers for the financial year ended July 31, 2015.

During the year ended July 31, 2015, the Corporation had 3 Named Executive Officers, namely: Andrew Wusaty, former President and Chief Executive Officer, Eugene Wusaty, President and Chief Executive Officer and Doug Porter, Chief Financial Officer. There were no other Named Executive Officers as no other officers received compensation in excess of \$150,000 during the year ended July 31, 2015.

### Objective and Purpose

The Corporation's executive compensation philosophy and program objectives are directed primarily by certain guiding principles. The program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented executives. The program is also intended to create an alignment of interests between the Corporation's executives and Shareholders so that a significant portion of each executive's compensation is linked to maximizing shareholder value. In support of this philosophy, the executive compensation program is designed to reward performance that is directly relevant to the Corporation's short-term and long-term success. The Corporation attempts to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

The Corporation's executive compensation program has been designed to accomplish the following long-term objectives:

- Attract, retain and motivate qualified personnel;
- Increase in shareholder value; and
- Encourage continuous improvement of the Corporation's proprietary technologies and commercial deployment thereof.

### Compensation Committee

The Board is responsible for determining all forms of compensation to be granted to the President and CEO and the directors, and for reviewing the President and CEO's recommendations respecting compensation of the other senior executives of the Corporation.



## **Components of Compensation**

The following discussion describes the Corporation's plans by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective.

### *Base Salary*

The objective of base salary compensation is to reward and retain NEOs. The program is designed to reward NEOs for maximizing shareholder value. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Corporation. Subjective factors such as leadership, commitment and attitude are also considered. Base salaries are also set according to local market conditions and may be impacted by specific industry compensation requirements. The Corporation also pays for business related travel expenses, professional membership dues and professional development costs associated with maintaining NEO professional designations, if applicable.

### *Short-term Incentives*

Short-term incentives are designed to encourage and reward improved performance and achievement of results. The Board of Directors will consider NEO bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for granting of bonuses. The Corporation does not have a formal bonus or incentive plan but considers performance-based incentives to encourage achievement of specific targeted performance goals. These goals may be annual goals or financial goals but may also be specific milestones as determined by the Board from time to time.

### *Long-term Incentives*

The maximization of shareholder value is encouraged by the granting of stock options at all levels. The Corporation has in place a stock option plan under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The objective of the Plan is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner.

## Summary of Compensation of Named Executive Officers

The following table sets forth for the years ended July 31, 2015 and 2014, information concerning the total compensation paid to the Corporation's Named Executive Officers.

Table of Executive Compensation							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus(\$)	Committee or Meeting Fee (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Eugene Wusaty President & CEO and a Director	2015	120,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	120,000 <sup>(1)</sup>
	2014	90,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	90,000 <sup>(1)</sup>
Doug Porter Chief Financial Officer and a Director <sup>(3)(4)</sup>	2015	75,000 <sup>(2)</sup>	19,047 <sup>(2)</sup>	Nil	Nil	Nil	94,047 <sup>(2)</sup>
	2014	75,083	20,000	Nil	Nil	Nil	95,083
Andrew Wusaty, Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	10,500	Nil	Nil	Nil	Nil	10,500
Pierre G. Gagnon, Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
George W. Roberts, Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil

### Notes:

(1) Eugene Wusaty was appointed President & CEO on November 1, 2013. Pursuant to the terms of his employment agreement, the Corporation began accruing \$10,000 per month in salary for Mr. Wusaty beginning on November 1, 2013. No amount has actually been paid to Mr. Wusaty and, as a result, the full \$90,000 accrued as salary for Mr. Wusaty for fiscal 2014 remains as a payable in the accounts of the Corporation.

(2) Of the \$94,047 accrued in salary and bonus to Mr. Porter during the year ended July 31, 2015, \$55,047 was paid in cash and \$39,000 remains as a payable in the accounts of the Corporation.

## Stock Options and other Compensation Securities

The following table outlines for the current Named Executive Officers and Directors all Options (being the only compensation securities granted or issued by the Corporation) during the year ended July 31, 2015.

Name and Position	Compensation Securities				Closing Price of Underlying Security at Year End (\$)	Expiry Date
	Number of Options, Number of Underlying Securities and	Date of Grant	Exercise Price (\$)	Closing Price of Underlying Security on Date of Grant (\$)		

	Percentage of Class					
Eugene Wusaty President & CEO and Director	600,000 600,000 2.6%	July 31, 2015	\$0.08/\$0.10/\$0.12 <sup>(1)</sup>	\$0.06	\$0.06	May 30, 2021
Doug Porter Chief Financial Officer	450,000 450,000 1.9%	July 31, 2015	\$0.08/\$0.10/\$0.12 <sup>(1)</sup>	\$0.06	\$0.06	May 30, 2021
Andrew Wusaty Director	300,000 300,000 1.3%	July 31, 2015	\$0.08/\$0.10/\$0.12 <sup>(1)</sup>	\$0.06	\$0.06	May 30, 2021
Pierre G. Gagnon, Director	350,000 350,000 1.5%	July 31, 2015	\$0.08/\$0.10/\$0.12 <sup>(1)</sup>	\$0.06	\$0.06	May 30, 2021
George W. Roberts, Director	300,000 300,000 1.3%	July 31, 2015	\$0.08/\$0.10/\$0.12 <sup>(1)</sup>	\$0.06	\$0.06	May 30, 2021

**Note:**

- (1) One third of the options issued with an exercise price of \$0.08; one third issued with an exercise price of \$0.10; one third of the options were issued with an exercise price of \$0.12.

The following table sets forth for the current Named Executive Officers and Directors the exercise of Options (being the only compensation securities granted or issued by the Corporation) during the financial year ended July 31, 2015.

Name and Position	Number of Underlying Securities Exercised	Exercise Price per Security	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between the Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
Eugene Wusaty President & CEO and Director	Nil	Nil	Nil	Nil	Nil	Nil
Doug Porter Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Wusaty Director	Nil	Nil	Nil	Nil	Nil	Nil
Pierre G. Gagnon, Director	Nil	Nil	Nil	Nil	Nil	Nil
George W. Roberts, Director	Nil	Nil	Nil	Nil	Nil	Nil
Eugene Wusaty President & CEO and Director	Nil	Nil	Nil	Nil	Nil	Nil

## Director Compensation Policy

Except as disclosed below, the Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive stock options in accordance with the policies of the Exchange. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such person to that of the Shareholders.

### *Compensation of Directors*

No cash compensation was paid or accrued for independent directors for the year ended July 31, 2015. Directors are reimbursed for out-of-pocket expenses incurred to attend board and committee meetings.

The directors of the Corporation are entitled to participate in the Corporation's stock option plan. See above. 2,000,000 options granted

Directors did not exercise any options in the year ended July 31, 2015.

## INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No current or former director, officer or employee of the Corporation was indebted to the Corporation as at the date of this Circular. At no time did any director or officer, or any associate of any such director or officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## MANAGEMENT CONTRACTS

The management functions of the Company are not performed to any substantial degree by any person or corporation other than the directors and executive officers of the Company.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation's stock option plan is the only compensation plan pursuant to which equity securities of the Corporation are authorized for issuance. The stock option plan was previously approved by the Shareholders on June 24, 2015.

The table below sets out information concerning the stock option plan as at July 31, 2015.

	Number of Shares Issuable upon the Exercise of Outstanding Options	Weighted Average Exercise Price	Number of Shares Remaining Available for Future Issuance (excluding the Shares issuable on the exercise of options referred to in the first column)
Equity compensation plans approved by security holders	2,000,000	\$0.10	180,323

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Equity compensation plans not approved by security holders	nil	n/a	nil
<b>TOTAL</b>	2,000,000	\$0.10	180,323

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

No informed person of the Corporation nor any affiliate or associate of any informed person had any material interest, direct or indirect, in any transaction or proposed transaction since incorporation which has materially affected or would materially affect the Corporation.

For the purposes of this Circular, an "informed person" means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

#### **REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES**

No nominee for director of the Corporation is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director, chief executive officer or chief financial officer of any company (including the company in respect of which the information circular is being prepared) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, state the fact and describe the basis on which the order was made and whether the order is still in effect.

No nominee for director of the Corporation is, as at the date of the information circular, or has been within 10 years before the date of the information circular, a director or executive officer of any company (including the company in respect of which the information circular is being prepared) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No nominee for director of the Corporation has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Corporation is provided in its financial statements for the period July 31, 2015 which have been mailed concurrently with this Circular, and its interim financial statements for all interim periods during the financial year ended July 31, 2015 and the accompanying management's discussion and analysis, all of which can be accessed on SEDAR.

## **AUDITORS AND TRANSFER AGENT**

The auditors of the Corporation are Collins Barrow Toronto LLP, Chartered Accountants, #700, 11 King Street West, Toronto, Ontario, M5H 4C7.

The transfer agent and registrar of the Corporation is TSX Trust Company, through its principle offices in Toronto, Ontario.

## **DIRECTORS' APPROVAL**

The contents and the sending of this Circular have been approved by the Board of the Corporation.

## APPENDIX A

### ALTITUDE RESOURCES INC.

#### AUDIT COMMITTEE CHARTER

##### Mandate of the Committee

The mandate of the Audit Committee (the "**Committee**") of Altitude Resources Inc. ("**Altitude**" or the "**Corporation**") is to oversee and ensure that management has applied due diligence in creating and maintaining an effective financial and risk management and control framework.

Within the Altitude's overall governance structure, the Committee is formally structured as a committee of the Board (the "**Board**") of Directors (the "**Directors**") of Altitude Resources Inc. as such has overall responsibility for the business and operations of the Corporation. This framework is intended to provide reasonable assurance that the financial, operational and regulatory objectives of the Corporation are achieved and that the legal responsibilities of the Corporation and the Board are appropriately **discharged**. The role of the Committee is primarily one of review, monitoring and recommendation to the Board.

The Committee fulfils its role on behalf of the Board by overseeing:

1. the integrity of the Altitude's financial statements, financial information and accounting, financial reporting (including Managements' Discussion & Analysis ("**MD&A**"), as hereinafter defined) and auditing processes;
2. the external auditor's qualifications, independence and performance and recommending to the Board of Directors the external auditor to be nominated and the compensation of such external auditor;
3. Altitude's compliance with legal and regulatory requirements; and
4. risk management, management information systems, governmental legislation and external business of the Corporation.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits, to determine that Altitude's financial statements are complete, accurate and in accordance with generally accepted accounting principles applicable to publicly accountable enterprises or to certify Altitude's financial statements. Management is responsible for preparing the Corporation's financial statements and the external auditor is responsible for auditing the annual financial statements. It is not the duty of the Committee to act as an internal auditor or to conduct investigations to assure Altitude's compliance with laws, regulations or policies. The Committee shall however, assist the Board in overseeing that management and the external auditor fulfill their responsibilities with Altitude's financial reporting process. The Committee has the authority to obtain independent legal counsel and outside accounting and other advisors as deemed appropriate to perform its duties and responsibilities. The Corporation shall provide appropriate funding to compensate the external auditor and any advisors that the Committee chooses to engage. The Committee is authorized to communicate directly with the external auditor to discuss and review specific issues as necessary.

## **Responsibilities**

The Committee will primarily fulfil its responsibilities by carrying out the activities enumerated in the following sections of this Charter. The Committee will report regularly to the Board as required, regarding the execution of its duties and responsibilities. In fulfilling its mandate, the Committee shall:

### **(A)** *Internal and Disclosure Controls*

1. Review with the external auditor and management the effectiveness and integrity of Altitude's system of disclosure controls and system of internal controls regarding finance, accounting, compliance and ethics, that management, in consultation with the Board, has established.
2. Where the Committee considers it necessary and appropriate, set up and review an internal audit process and review any appointment or dismissal of senior internal audit personnel appointed in connection therewith.
3. Review the evaluation of internal controls by the external auditor with management and the subsequent follow-up to any identified weaknesses.
4. Review the appointment of the Chief Financial Officer and any other key financial executives who are involved in the financial reporting process or the entering into of any management contract or other arrangement pursuant to which the duties typically associated with such positions will be fulfilled.
5. Determine the appropriate resolution of conflicts of interest in respect of audit, finance and risk matters, properly directed to the Committee.
6. Review with management and the external auditor:
  - (a) in conjunction with the report of the external auditor, the Corporation's audited annual financial statements, including related footnotes and management's discussion and analysis of financial conditions and results of operations,
  - (b) the significant accounting judgments and reporting principles, practices and procedures applied by the Corporation in preparing its financial statements including any newly adopted accounting policies,
  - (c) significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit,
  - (d) the co-operation received by the external auditor during the audit, including access to all requested records, data and information,



- (e) any correspondence with regulatory or governmental authorities which raises material issues regarding the Altitude Inc.'s financial statements or accounting policies, and
  - (f) any other matters not described above that are required to be communicated by the external auditors to the Committee pursuant to applicable law and regulation.
- 7. Review with management, including any comments from the external auditors, Altitude's quarterly financial statements and related MD&A.
- 8. Obtain an explanation from management of all significant variances between comparative reporting periods. The Committee shall review all financial statements, both annual and interim, prior to their presentation to the Board for approval.
- 9. Review and recommend for approval by the Board all documents to be publicly disclosed, prior to their release, which contain audited or unaudited financial information. Such documents include any prospectuses, interim unaudited financial statements, year end audited financial statements, the annual report, the annual proxy circular, the annual information form, all news releases and disclosures made under MD&A.
- 10. Review with management the procedures that exist for the review of financial information extracted or derived from financial statements which is publicly disclosed by Altitude other than in the documents listed in section 9 above and periodically, at least annually, assess the adequacy of those procedures, as required by National Instrument 52-110 – Audit Committees ("**NI 52-110**"), section 2.3.
- 11. Review with management and the external auditor all off-balance sheet financing mechanisms being used by Altitude, their risks and the clear disclosure of those risks and all other material financial risks to the Corporation's business.
- 12. Discuss with Altitude's legal counsel, at least annually, legal and regulatory matters that may have a material impact on the financial statements.
- 13. Review with the Chief Financial Officer and the Chief Executive Officer (or their management equivalents) their respective disclosures made to the Committee during the certification process as required by National Instrument 52-109, including:
  - (a) any significant deficiencies or material weaknesses in the design or operation of internal controls,
  - (b) any fraud involving management or other employees who have a significant role in Altitude's internal controls,
  - (c) any other obligations arising from certification, and
  - (d) any significant changes in the internal controls.
- 14. Review with management and the external auditor the Corporation's Code of Business Conduct and Ethics, and report to the Board and Governance and Nominating Committee, as appropriate, in respect thereof.

15. Establish and maintain procedures for:
    - (a) the receipt, retention and treatment of complaints received by the Altitude regarding the Corporation's accounting, internal accounting controls or auditing matters, and
    - (b) the confidential and anonymous submission by Altitude's employees of concerns regarding questionable accounting or auditing matters, and review all matters relating thereto.
  16. Review with management the details of all transactions between the Corporation and parties related to the Altitude.
- (B) Oversight of the External Auditor**
1. Recommend to the Board and to the shareholders the nomination of the external auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation.
  2. Review the qualifications and independence of the external auditor during the year.
  3. Maintain a clear understanding with the external auditor that it is to have an open and transparent relationship with the Committee and that it is to report directly to the Committee.
  4. Provide a scheduled opportunity to meet with the external auditor for full, frank and timely discussions of all material issues, without management present.
  5. Discuss with the external auditor the scope and timing of the audit work with particular reference to high risk areas or areas of concern to the Board.
  6. Inquire as to whether the audit partner receives compensation based on the audit partner procuring engagements to provide services other than audit, review or attestation services to Altitude.
  7. Review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 on a routine basis, whether or not there is to be a change of external auditor.
  8. Review all issues and documentation related to a change of external auditor, including information to be included in the Change of Auditor Notice and documentation called for under National Instrument 51-102 and the planned steps for an orderly transition period.
  9. Appropriately supervise and evaluate the performance of the external auditor and lead audit partner, and report conclusions to the Board.
  10. Review and approve Altitude's hiring policies regarding partners, employees, former partners and former employees of the current and previous external auditors of the Corporation.

11. Oversee the rotation of audit partners as required by applicable regulation and, in order to ensure continuing auditor independence, consider annually whether it is appropriate to adopt a policy of rotating Altitude's external auditing firm on a regular basis.
12. Pre-approve the nature of, and fees for, all audit, review, attestation and non-audit services provided by the external auditor, prior to engagement, subject to the *de minimis* exemption contained in section 2.4 of NI 52-110 and disclose such pre-approvals in accordance with applicable securities law.
13. Consider the effect of significant non-audit engagements on the independence of the external auditor.
14. Provide to the external auditor any information and explanations, and access to records, documents, books, accounts and vouchers of Altitude Resources Inc. and any related entities that are, in the opinion of the external auditor, necessary to make the examinations and reports required under legislation or regulation.

**(C) Oversight of Financial Reporting and Accounting Policies**

1. Review with management and the external auditor significant financial reporting issues arising during the fiscal period and the methods of resolution.
2. Prior to the issuance of the external auditor's report on Altitude's financial statements, discuss the following with the external auditor:
  - (a) all critical accounting policies and practices applied in the financial statements,
  - (b) all alternative accounting and disclosure treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternate treatments and disclosures, and the treatment preferred by the external auditor, and
  - (c) other material written communications between the external auditor and management, such as the post audit or management letter and schedule of unadjusted differences.
3. Inquire of the external auditor as to the quality of Altitude's accounting estimates, discussing significant judgments made in connection with the preparation of the financial statements.
4. Review with management any proposed changes in major accounting policies, the impact and clear disclosure of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting.
5. Prepare such reports and letters or other disclosure documents as are required to be prepared by the Committee under applicable securities legislation.
6. Review any notice received by the Committee with respect to an error or misstatement of which a Director or officer becomes aware.

**(D)** *Additional Duties and Responsibilities*

1. Review risk assessment and risk management policies including the Altitude Resources Inc.'s major financial and accounting risk exposures, the steps management has undertaken to control them, and the clear disclosure of such material risks as part of Altitude's continuous disclosure requirements.
2. Review the amount and terms of any insurance to be obtained or maintained by Altitude, including insurance with respect to potential liabilities incurred by the Directors or officers in the discharge of their duties and responsibilities.
3. Review any significant transaction outside of the Corporation's ordinary course of business.
4. Review all pending litigation involving Altitude on at least a quarterly basis.

**(E)** *General*

1. The Committee shall review and assess annually the adequacy of this Charter and recommend any proposed changes to the Governance and Nominating Committee for approval.
2. The Committee shall undertake reviews of the performance of the Committee and the Chair of the Committee on a basis consistent with the evaluation process established by the Governance and Nominating Committee.
3. To fulfil its responsibilities and duties the Committee may:
  - (a) inspect any and all of the books, records and financial affairs of the Corporation, its subsidiaries and affiliates; and
  - (b) meet with any executive or employee of Altitude with or without management to review such accounts, records and other matters as any member of the Committee considers necessary and appropriate.
4. The Committee shall receive reports as required from the Governance and Nominating Committee and discuss with them issues of relevance to the Committee.
5. The Committee shall review when deemed necessary by the Committee any of the financial affairs of Altitude, its subsidiaries or affiliates and make recommendations to the Board, to the external auditor, or to management, as appropriate.
6. The Committee shall report regularly to the Board through the Chair of the Committee or through such other person appointed by the Committee the conclusions reached and issues considered by the Committee.
7. The Committee shall perform any other activities consistent with this Charter as the Committee deems necessary or appropriate in order to carry out its mandate.

## Composition of the Committee

1. The Committee shall be comprised of at least three Directors.
2. The majority of the Committee members shall be “independent”, “outside” and “unrelated” (collectively, “**independent**”), as affirmatively determined by the Board, which, for the purposes of this Charter shall mean:
  - (a) a Director who is independent of management and is free from any interest in any business or other relationship which could, or could reasonably be perceived to materially interfere with the Director’s ability to act with a view to the best interests of Altitude, other than interests and relationships arising from shareholdings;
  - (b) a Director who has no direct or indirect material relationship with the Corporation (a material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a Director’s independent judgment), including any relationship explicitly considered to be material under NI 52-110 and any other applicable Canadian law or regulation;
  - (c) other than as a member of the Committee, the Board, any other committee of the Board or the board of a wholly owned subsidiary, a Director who does not and has not accepted any consulting, advisory or compensatory fee from Altitude; and
  - (d) a Director who is not an “affiliated person” of Altitude or any subsidiary thereof within the meaning of applicable Canadian law and regulation.
3. The Directors shall appoint the members of the Committee at the first meeting of the Directors following each annual meeting (“**Annual Meeting**”) of the shareholders of the Corporation.
4. The Directors shall appoint one member of the Committee to be the Chair of the Committee.
5. A Director appointed by the Directors to the Committee shall be a member of the Committee until the next Annual Meeting or until his or her earlier resignation or removal by the Directors. A member shall cease to be a member of the Committee upon ceasing to be a Director of the Corporation.
6. The Directors may remove or replace any member of the Committee at any time.
7. The Corporate Secretary of the Corporation or, in the alternative, one of the members chosen by the Committee shall be the Secretary of the Committee.
8. Members of the Committee may not serve on the audit committee of more than two additional public companies without the prior approval of the Directors.
9. (a) Each member of the Committee shall be financially literate. 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 Altitude’s financial statements.

- (b) A Committee member who is not financially literate may be appointed to the Committee provided that the member becomes financially literate within a reasonable period of time following his or her appointment.

### **Meetings of the Committee**

1. The Committee shall convene at such times and places designated by the Chair of the Committee, at least on a quarterly basis, and whenever a meeting is requested by the Directors, a member of the Committee, the external auditor, or a senior officer of Altitude. The Committee shall meet in separate sessions with management and the external auditor at each regularly scheduled meeting.
2. Notice of each meeting of the Committee shall be given to each member and to the external auditor, who shall be entitled to attend each meeting of the Committee.
3. Notice of a meeting of the Committee shall:
  - (a) be in writing (which may be communicated by electronic facsimile or other communication facilities);
  - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - (d) be given at least 24 hours preceding the time stipulated for the meeting.
4. A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee.
5. A member of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at that meeting.
6. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting and the members shall choose one of the persons present to be the Secretary of the meeting.
7. Management of the Corporation may attend meetings of the Committee as deemed appropriate by the Committee, and shall attend meetings of the Committee when requested to do so by the Committee.
8. Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and Secretary of the meeting. The minutes shall be maintained with Altitude's records, shall include copies of all resolutions passed at each meeting, and shall be available for review by members of the Committee, the Directors, management and the external auditor.

## Whistle Blower Policy

### Introduction

Altitude Resources Inc. is committed to the highest standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with to come forward and voice any serious concerns they may have about any aspect of Altitude Resources Inc.'s conduct or affairs.

Employees are often the first to realize that there may be something seriously wrong within an organization. However, we are aware that employees may decide not to express their concerns because they feel that speaking up might be viewed as being disloyal to their colleagues or to Altitude Resources Inc. Employees may also fear harassment or victimization for speaking up. In these circumstances, they may feel it would be easier to ignore the concern rather than report it.

This policy is intended to make it clear that any person can express concerns without fear of victimization, subsequent discrimination or disadvantage. This whistle blowing policy is intended to encourage and enable all Altitude Resources Inc. Personnel to raise serious concerns within Altitude Resources Inc. rather than overlooking a problem or seeking a resolution of the problem outside Altitude Resources Inc.

### Application

This policy is applicable to all directors, officers, employees and contractors ("**Altitude Resources Inc. Personnel**") working for Altitude Resources Inc. This policy contains a number of references to the **Senior Management Team** of Altitude Resources Inc. The Senior Management Team includes the chief executive officer and chief financial officer of Altitude Resources Inc.

This policy is also intended to provide a method for other stakeholders (suppliers, customers, shareholders, financial partners, for example) to voice their concerns regarding Altitude Resources Inc.'s business conduct.

This policy is also intended to be a clear statement that if any wrongdoing by Altitude Resources Inc. or any of its directors, managers, other Altitude Resources Inc. Personnel or by any of its contractors or suppliers is identified and reported to Altitude Resources Inc., the concern will be dealt with expeditiously and thoroughly investigated and remedied. The Senior Management Team will further examine ways of ensuring that any identified wrongdoing will be prevented in future.

This whistleblowing or reporting mechanism invites all Altitude Resources Inc. Personnel and other stakeholders to act responsibly to uphold the reputation of Altitude Resources Inc. and everyone associated with Altitude Resources Inc. and to maintain public confidence in the integrity of our organization and the individuals who run it. We believe that encouraging a culture of responsible openness within the organization will help this process. This policy aims to ensure that serious concerns are properly raised and properly addressed within Altitude Resources Inc. We believe that this policy will be recognized as a key tool in enabling the delivery of good governance practices throughout Altitude Resources Inc.

## **Policy Framework**

### **1. *What is Whistleblowing?***

Employees are usually the first to know when something is going seriously wrong. A culture of turning a "blind eye" to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices i.e. wrongdoing.

### **2. *What is wrongdoing?***

Wrongdoing involves any unlawful or unethical behaviour and can include:

- Questionable reporting, accounting or auditing practices;
- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved policy of Altitude Resources Inc.;
- Knowingly breaching federal or provincial or state laws or regulations;
- Unprofessional conduct or business practices that fail to meet acceptable standards;
- Dangerous practice likely to cause physical harm or damage to any person, property, or the environment;
- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to Altitude Resources Inc.;
- Abuse of power or authority for any unauthorized or wrongful purpose; or
- Unfair discrimination in the course of employment or the provision of services.

This list is not definitive, but is intended to give an indication of the kind of conduct that might be considered as "wrongdoing".

### **3. *Who is protected?***

Any person who makes a disclosure or raises a concern under this policy will be protected if the person:

- Discloses the information in good faith;
- Believes it to be substantially true;
- Does not act maliciously or make false allegations, and
- Does not seek any personal or financial gain.

### **4. *Confidentiality and Anonymity.***

Altitude Resources Inc. will respect the confidentiality of any whistle blowing complaint received by Altitude Resources Inc. where the complainant requests confidentiality. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name. In the event that anonymity is requested and the information is given through the ethics hotline, the person will be given a case number and a time or times when he or she can call back for updates on the investigation of his or her complaint. Confidentiality will be preserved to the extent permitted by the law but will be subject to



compliance by Altitude Resources Inc. with any Court Order or other legal requirement.

**5. *Who should you contact?***

- Any one with a complaint or concern about Altitude Resources Inc. should try to contact their supervisor or manager. This depends however, on the seriousness and sensitivity of the issues involved and who is suspected of malpractice.
- As an alternative, any one with a complaint or concern may contact George W. Roberts, the chairman of the Audit Committee at 416-367-7373.

**6. *How Altitude Resources Inc. will respond.***

Altitude Resources Inc. will respond positively to your concerns. Do not forget that investigating your concerns is not the same as either accepting or rejecting them.

Where appropriate, the matters raised may:

- be investigated by management, the Audit Committee, internal audit, or legal counsel;
- be referred to the police;
- be referred to the external auditor;
- form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries may be made to determine whether an investigation is appropriate and, if so, what form it should take.

The overriding principle that Altitude Resources Inc. will have in mind is the best interests of Altitude Resources Inc. and its shareholders.

Some concerns may be resolved by agreed action without the need for further investigation or action. If urgent action is required, it may be taken before an investigation is completed.

Within **ten** working days of a concern being raised, the responsible officer will write to you:

- acknowledging that the concern has been received;
- indicating how he/she proposes to deal with the matter;
- giving an estimate of how long it will take to provide a final response;
- telling you whether any initial enquiries have been made; and
- telling you whether further investigations will take place and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, Altitude Resources Inc. will seek further information from you.

Altitude Resources Inc. will take steps to minimize any difficulties that you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, Altitude Resources Inc. will arrange for you to receive advice about the procedure.

Altitude Resources Inc. accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

**7. *Time Scale.***

Concerns will be investigated as quickly as possible. It should also be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint might have an impact upon the time taken to investigate a matter. A designated person will indicate at the outset the anticipated time scale for investigating the complaint.

**8. *Prevention of recriminations, victimization or harassment.***

Altitude Resources Inc. will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to Altitude Resources Inc. a serious and genuine concern that they may have concerning an apparent wrongdoing. Any such attempt should be reported immediately to the Chairman of the Audit Committee.

**9. *False and Malicious Allegations.***

Altitude Resources Inc. is proud of its reputation. It will therefore ensure that substantial and adequate resources are put into investigating any complaint that it receives. However, it is important to realize that Altitude Resources Inc. will view very seriously any allegations that prove not to be substantiated or which prove to have been made maliciously or knowing them to be false.

Altitude Resources Inc. will regard the making of any deliberately false or malicious allegations as a serious disciplinary offence that may result in disciplinary action, up to and including dismissal for cause.

**Summary**

The purpose of this policy is to ensure that employees feel comfortable expressing concerns or reporting perceived problems within the company without fear of harassment, victimization, subsequent discrimination or disadvantage. The success and integrity of our business depends on employees being willing to come forward and voice any serious concerns they may have about any aspect of the company's business conduct or affairs.

Employees should carefully read this policy to obtain further details on what constitutes wrongdoing and whistleblowing, who they should contact with any complaints or concerns about the company and how the company will protect them and respond to their complaints or concerns.

**Although employees are always encouraged to raise any concerns they may have with their supervisor or manager, employees should be aware that they can contact George W. Roberts (the Chair of our Audit Committee) in the alternative at:**

George W. Roberts, Chair of the Audit Committee

Telephone:

416-367-7373

E-mail [roberts.wes@dorsey.com](mailto:roberts.wes@dorsey.com)

Although we strongly encourage employees to come forward with legitimate complaints and concerns, please be aware that we will treat any deliberately false or malicious allegations as a serious disciplinary offence that may result in disciplinary action up to and including dismissal for cause.

**Please contact your supervisor or manager or any of the other contact persons named in this Whistleblower Policy if you have questions regarding this policy or how you should report any concerns you may have. Employees are encouraged to read this policy in its entirety and to be familiar with all of the employee policies that apply to them.**

## APPENDIX B

### ALTITUDE RESOURCES INC.

#### STOCK OPTION PLAN

##### 1. PURPOSE

- (a) The purpose of this Stock Option Plan is to promote the interests of Altitude Resources Inc. (the “**Company**”) by:
1. furnishing certain Directors, Employees and Consultants of the Company or its Subsidiaries with greater incentive to further develop and promote the business and financial success of the Company;
  2. furthering the alignment of interests of Persons to whom Options may be granted with those of the shareholders of the Company generally through share ownership in the Company; and
  3. assisting the Company in attracting, retaining and motivating its Directors, Employees and Consultants.
- (b) The Company believes that these purposes may best be effected by granting Options to Eligible Persons (as defined below).

##### 2. DEFINITIONS AND INTERPRETATION

- (a) In this Plan, unless there is something in the subject matter or context inconsistent therewith:

“**Affiliate**” has the following meaning: a company is an affiliate of another company if:

- I. one of them is the Subsidiary of the other; or
- II. each of them is Controlled by the same Person;

“**Associate**”, when used to indicate a relationship with a Person, means:

- III. a company of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to all outstanding voting securities of the company;
- IV. any partner of the Person;
- V. any trust or estate in which the Person has a substantial beneficial interest or in respect of which the Person serves as trustee or in a similar capacity; and

- VI. in the case of a Person who is an individual:
- (1) that Person's spouse or child; or
  - (2) any relative of that Person or of his spouse who has the same residence as that Person;

but

- VII. where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding company;

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

**"Company"** means Altitude Resources Inc.;

**"Consultant"** means, an individual or Consultant Company, other than an Employee or a Director that:

- VIII. is engaged to provide on a 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;
- IX. provides the services under a written contract between the Company or the Affiliate of the Company and the individual or the Consultant Company;
- X. 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
- XI. 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;

**"Control"** has the following meaning: a company (the first company) controls another company (the second company) if the first company, directly or indirectly, has the power to direct the management and policies of the second company by virtue of:

- XII. ownership, of or direction over, voting securities in the second company;
- XIII. a written agreement or indenture;
- XIV. being the general partner or Controlling the general partner of the second company; or
- XV. being a trustee of the second company;

**“Directors”** means directors, senior officers and Management Company Employees of the Company, or directors, senior officers and Management Company Employees of the Company’s Subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable Securities Laws;

**“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all shareholders of the Company, including shareholders of non-voting and subordinate shares, who must be given full voting rights, at a shareholders’ meeting, excluding votes attaching to shares of the Company beneficially owned by Insiders to whom Options may be granted under the Plan and Associates of such Persons;

**“Disability”** means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from: XVI. performing the services of an Employee; or

XVII. acting as a Director or Consultant;

**“Discounted Market Price”** has the meaning ascribed to it in Policy 1.1 of the TSX Venture Exchange Corporate Finance Policy;

**“Distribution”** has the meaning ascribed to it in the Securities Act;

**“Eligible Person”** means a Director, Employee or Consultant of the Company or its Subsidiary who is eligible for the grant of Options pursuant to this Plan;

**“Employee”** means:

XVIII. an individual who is considered an employee of the Company or its Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);

XIX. an individual who 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 methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

XX. an individual who works for the Company or its Subsidiary on a continuing and regular basis for a minimum amount of time per week (determined by the Board from time to time) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

**“Exchange”** means the TSX Venture Exchange Inc.;

**“Exercise Price”** means the price which an Option Share may be purchased pursuant to the exercise of an Option, as same may be adjusted from time to time in accordance with Section 4(a) hereof;

**“Grant Date”** means the date specified in an Option Agreement as the date on which an Option is granted;

**“Guardian”** means the guardian, if any, appointed for an Optionee;

**“Insider”** means:

- XXI. a director or senior officer of the Company;
- XXII. a director or senior officer of a Company that is an Insider or Subsidiary of the Company;
- XXIII. a Person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company; or
- XXIV. the Company, if it holds any of its own securities;

**“Investor Relations Activities”** means any activities, by or on behalf of the Company or shareholder of the Company, that promotes or reasonably could be expected to promote the purchase or sale of securities of the Company, but does not include:

XXV. the dissemination of information provided, or records prepared, in the ordinary course of business of the Company:

- (1) to promote the sale of products or services of the Company; or
- (2) to raise public awareness of the Company;

that cannot reasonably be considered to promote the purchase or sale of securities of the Company;

XXVI. activities or communications necessary to comply with the requirements of:

- (1) applicable Securities Laws;
- (2) the Exchange or the by-laws, rules or other regulatory instruments of any other self-regulatory body or exchange having jurisdiction over the Company;

XXVII. communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

- (1) the communication is only through the newspaper, magazine or publication; and
- (2) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or

XXVIII. activities or communications that may be otherwise specified by the Exchange;

**“Management Company Employee”** means an individual 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 engaged in Investor Relations Activities;

**“Option”** means a stock option granted hereunder to purchase Shares from treasury;

**“Option Agreement”** means an agreement, substantially in the form attached hereto as Schedule “A”;

**“Option Share”** means the Share which is issuable upon the exercise of an Option;

**“Optionee”** means an Eligible Person who has been granted Options pursuant to this Plan;

**“Person”** means a company or individual;

**“Plan”** means this Stock Option Plan, as same may from time to time be supplemented or amended and in effect;

**“Securities Act”** means the *Securities Act* (Alberta) as same may from time to time be amended;

**“Securities Laws”** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company;

**“Shares”** means the common shares without par value in the capital of the Company; and

**“Subsidiary”** has the meaning ascribed thereto in the Securities Act.

(b) Any question arising as to the interpretation of this Plan or of any Option granted hereunder will be determined by the Board and such determination will be conclusive and binding on the Company and all Optionees.

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

(a) The Plan shall be administered by the Board or a committee of the Board to which such authority is delegated by the Board from time to time.

(b) The Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations for carrying out the provisions and purposes of the Plan. The interpretation, construction and application of the Plan and any provisions thereof made by the Board shall be final and binding on all Optionees and all Eligible Persons. No member of the Board shall be liable for any action taken or for any determination made in good faith in the administration, interpretation, construction or application of the Plan.

### **4. GRANT OF OPTIONS**

(a) The Board may, from time to time, authorize the issue of Options to Eligible Persons, subject to Section (b). Except as provided in Section (d), the Options shall be subject to such vesting provisions as the Board in their sole discretion may determine. The Exercise Price of each Option shall be as set by the Board on the Grant Date, provided that the Exercise Price shall not be less than the Discounted Market Price. The Exercise Price may be reduced by a resolution of the Board if, in the unfettered discretion of the Board, such a reduction is warranted. Notwithstanding the foregoing, Disinterested Shareholder Approval shall be required for the reduction in the Exercise Price of Options issued to Insiders.

(b) Except in relation to Consultant Companies, Options may only be granted to an Eligible Person who is an individual or to a company that is wholly-owned by individuals who are Eligible Persons. If the



Optionee is a company, including a Consultant Company, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Company Granted an Incentive Stock Option*. Any company to be granted Options must agree not to effect or permit any transfer of ownership or option of shares of the company or to issue further shares of any class in the company to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

(c) The grant of Options shall be confirmed by the execution of an Option Agreement in substantially the form attached hereto as Schedule “A”. Each Optionee shall have the Option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

(d) All Options granted to Consultants performing Investor Relations Activities must vest in stages over a period of at least 12 months, with no more than ¼ of the Options vesting in any three month period.

## **5. SHARES SUBJECT TO THE PLAN**

(a) Subject to Sections 5.2, 5.3 and 5.4, the number of Shares which may be issuable pursuant to the exercise of Options granted under the Plan shall be a maximum of 10% of the number of Shares issued and outstanding from time to time on a non-diluted basis.

(b) Disinterested Shareholder Approval must be obtained for the grant of Options if the Options issued pursuant to the Plan, together with all of the Company’s previously established or proposed share compensation arrangements, could result at any time in:

1. the number of Shares reserved for issuance to be granted to Insiders exceeding 10% of the issued Shares calculated on a non-diluted basis;
2. the grant to Insiders in the aggregate, within a 12-month period, of a number of Options exercisable to purchase more than 10% of the issued Shares; or
3. the issuance to any one Optionee, within a 12-month period, of a number of Shares exceeding 5% of the issued Shares.

(c) The aggregate number of Shares which may be purchased by the exercise of Options granted to Persons employed to provide Investor Relations Activities must not exceed 2% of the issued Shares in any 12-month period, calculated on the Grant Date.

(d) The aggregate number of Shares which may be purchased by the exercise of Options granted to any Consultant must not exceed 2% of the issued Shares in any 12-month period, calculated on the Grant Date.

(e) For the purposes of this section, the number of Shares issued and outstanding is determined on the basis of the number of Shares that are outstanding immediately prior to the Share issuance in question.

## **6. CONDITIONS GOVERNING OPTIONS**

(a) Each Option shall be subject to the following conditions:

(i) Employment

For each Option granted to Employees, Consultants or Management Company Employees, the Company represents that the Optionee is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be. The granting of an Option to an Eligible Person shall not impose upon the Company any obligation to retain the Optionee in its employ.

(ii) Option Term

The period during which an Option is exercisable shall not, subject to the provisions of this Plan, exceed 10 years from the Grant Date.

(iii) Exercise of Options and Options Not Exercised

1. Prior to their expiration or earlier termination in accordance with this Plan, the Options granted to Optionees shall be exercisable in whole or in part to purchase the Option Shares in respect of which the Options are being exercised at such time or times as the Board, at the Grant Date of the particular Options, may determine in its sole discretion.
2. In the event that an Option granted under the Plan expires unexercised or is terminated pursuant to the terms of this Plan prior to exercise of the Option, the Option Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

(iv) Non-Assignability of Option Rights

Each Option granted hereunder is personal to the Optionee and shall not be assignable or transferable by the Optionee, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of a deceased Optionee. No Option granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of.

(v) Effect of Termination of Employment, Death or Disability

1. Upon an Optionee's employment with the Company being terminated for cause or upon an Optionee being removed from office as a Director or Consultant pursuant to an order made by a regulatory authority or becoming disqualified from acting as such by law, any Options or the unexercised portion thereof granted to such Optionee shall terminate immediately.
2. Upon,
  - I. an Optionee's employment with the Company being terminated otherwise than by reason of death, Disability, or termination for cause;
  - II. an Optionee ceasing to be a Director or Consultant, other than by reason of death, Disability, removal or disqualification by law; or
  - III. an Optionee otherwise ceasing to be an Eligible Person;

subject to Sections (v)3 and (v)4, any Options or unexercised part thereof granted to such Optionee may be exercised by him or her to purchase that number of Option Shares he or she was entitled to purchase pursuant to Section (iii)(a) at the date of his or her termination of employment with the Company or cessation of office, together with that number of Option Shares that may be purchased by the exercise of Options which vest with the Optionee during any severance period or salary continuation period, if any. Such Options shall only be exercisable within the period which ends on the earlier of the expiration date(s) of such Options and the date which is 90 days after such Optionee ceases to be an Eligible Person.

3. Notwithstanding Section 6(a)(v)2, any Options or unexercised portion thereof granted to Optionees who are engaged in Investor Relations Activities shall only be exercisable within the period which ends on the earlier of the expiration date(s) of such Options and the date which is 30 days after such Optionee ceases to be engaged in Investor Relation Activities.
4. If an Optionee's position changes from Employee to Director or Consultant and *vice versa*, such change shall not constitute termination or cessation for the purpose of Section (v)2.
5. If an Optionee dies while employed by the Company or while serving as a Director or Consultant, any Options or unexercised part thereof granted to such Optionee may be exercised by the Person to whom the Options are transferred by will or the laws of succession for that number of Option Shares which the Optionee was entitled to acquire pursuant to Section 6(a)(iii)(a) at the time of his or her death. Such Options shall only be exercisable within the period which ends on the earlier of the expiration date(s) of the Options and the date which is one year after the death of such Optionee.
6. If the employment of an Optionee is terminated or an Optionee is removed from office as a Director or Consultant by reason of such Optionee's Disability, any Options or unexercised part thereof granted to such Optionee may be exercised by the Optionee or his or her Guardian to purchase that number of Option Shares the Optionee was entitled to purchase pursuant to Section (iii)(a) at the date of his or her termination of employment with the Company or cessation of office, together with that number of Option Shares that may be purchased by the

exercise of Options which vest with the Optionee during any severance period or salary continuation period, if any. The Options of such Optionee shall only be exercisable within the period which ends on the earlier of the expiration date(s) of such Options and the date which is 90 days after such Optionee ceases to be an Eligible Person.

(vi) Rights as a Shareholder

The Options shall not confer upon any Optionee any rights whatsoever as a shareholder in respect of any Option Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date which any Option Shares in respect of which the Options are being exercised are issued.

(vii) Method of Exercise

Subject to the provisions of this Plan, an Optionee may exercise (from time to time as provided in Section 6(a)(iii)(a) herein above) his or her Options by giving notice in writing to the Company in the form of Schedule "B" hereto (the "**Exercise Notice**") at its head office, addressed to its Secretary, which notice shall specify the number of Option Shares in respect of which the Options are being exercised and delivery payment for the Optioned Shares in respect of which the Options are being exercised, by cash or certified cheque. Subject to Section (ix), upon receiving the Exercise Notice and full payment for the number of Option Shares in respect of which the Options are being exercised, the Company shall forthwith cause the transfer agent and registrar of the Company to deliver to the Optionee a certificate in the name of the Optionee representing in the aggregate such number of Option Shares as specified in the Exercise Notice. If required by the Board by notification to the Optionee at the time of granting of any Options, it shall be a condition of the exercise of such Options that the Optionee shall represent that he or she is purchasing the Option Shares in respect of which the Options are being exercised for investment only and not with a view to resale or distribution.

(viii) Necessary Approvals

The obligation of the Company to issue and deliver any Shares in accordance with the Plan shall be subject to any necessary approval of the Exchange or any applicable securities regulatory authority. If any Option Shares cannot be issued to an Optionee for any reason beyond the control of the Company, the obligation of the Company to issue such Option Shares shall terminate and the amount of any Exercise Price paid to the Company in respect of such Option Shares shall be returned to such Optionee.

(ix) Withholdings Taxes

Notwithstanding any provision in this Plan or in any Option Agreement, the Board and the Company shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Optionee to the Company, of any taxes or other required source deductions which the Company is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan or any Option Agreement. Without limiting the generality of the foregoing, the Company may, in its sole discretion:

1. deduct and withhold additional amounts from other amounts payable to an Optionee;
2. require, as a condition of the issuance of Shares to an Optionee, that the Optionee make a cash payment to the Company equal to the amount, in the Company's opinion, required to be withheld and remitted by the Company for the account of the Optionee to the appropriate governmental authority and the Company, in its discretion, may withhold the issuance or delivery of Shares until the Optionee makes such payment; or
3. sell, on behalf of the Optionee, all or any portion of Shares otherwise deliverable to the Optionee until the net proceeds of sale equal or exceed the amount which, in the Company's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Optionee.

**7. ADJUSTMENT TO NUMBER OF OPTION SHARES**

(a) In the event of any subdivision or re-division of the Shares into a greater number of Shares at any time after the grant of Options to any Optionee and prior to the expiration of the term(s) of such Options, the Company shall deliver to such Optionee, upon the exercise of his or her Options in accordance with the terms hereof and subsequent to such subdivision or re-division of the shares, in lieu of the number of Option Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, that number of Shares such Optionee would have held as a result of such subdivision or re-division if on the record date thereof the Optionee had been the registered holder of the number of Option Shares in respect of which the Options are being exercised.

(b) In the event of any consolidation of the Shares into a lesser number of Shares at any time after the grant of Options to any Optionee and prior to the expiration of the term of such Options, the Company shall deliver to such Optionee, upon the exercise of his or her Options in accordance with the terms hereof subsequent to such consolidation of the Shares, in lieu of the number of Option Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate consideration payable therefor, such number of Shares such Optionee would have held as a result of such consolidation if on the record date thereof the Optionee had been the registered holder of the number of Option Shares in respect of which the Options are being exercised.

(c) If at any time after the grant of Options to any Optionee and prior to the expiration of the term of such Options, the Shares are reclassified, reorganized or otherwise changed, otherwise than as specified in Sections 7(a) or 7(b) or, subject to the provisions of this section, the Company consolidates, merges or amalgamates with or into another company (the company resulting or continuing from such consolidation, merger or amalgamation being hereafter called the “**Successor Company**”, and such reclassification, reorganization or change of Shares or consolidation, merger, amalgamation hereinafter called a “**Reorganization**”), such Optionee shall be entitled to receive upon the exercise of his or her Options in accordance with the terms hereof subsequent to the Reorganization and shall accept in lieu of the number of Option Shares to which he or she was theretofore entitled upon such exercise, but for the same aggregate exercise consideration payable therefor, such number of shares of the appropriate class and/or other securities of the Company or the Successor Company (as the case may be) and/or other consideration from the Company or the Successor Company (as the case may be) that the Optionee would have been entitled to receive as a result of such Reorganization subject to the provisions of Section 7(c), if on the record date or effective date of such Reorganization, the Optionee had been the registered holder of the number of Option Shares in respect of which the Options are being exercised.

(d) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof, in the event the Company proposes to amalgamate, merge or consolidate with any other company (other than with a wholly-owned subsidiary of the Company) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Company or any part thereof shall be made to all of the shareholders of the Company, the Company shall have the right, upon written notice thereof to each Optionee holding Options under this Plan, to permit the exercise of all such Options within the 30 day period following the date of such notice and to determine that upon the expiration of such 30 day period, all rights of Optionees to such Options or to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have further force or effect whatsoever.

## **8. AMENDMENTS OR DISCONTINUANCE**

(a) Subject to Sections (b) and (c), the Board may amend or discontinue this Plan at any time, provided, however, that no such amendment may materially and adversely affect any Option previously granted to an Optionee under this Plan without the consent of the Optionee, except to the extent required by law.

(b) Any amendment to the Plan or any Stock Option Agreement, except for the following, is subject to the acceptance of the Exchange:

1. reducing the number of Option Shares issuable pursuant to the exercise of any Options;
2. increasing the Exercise Price of any Option; or
3. cancelling an Option;

provided that the Company issues a news release outlining the terms of the amendment.

(c) If, at the time of the amendment of this Plan, any Optionee is an Insider, Disinterested Shareholder Approval is required to approve such amendment.

(d) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof, and subject to the acceptance of the Exchange:

1. the Board may, by resolution, advance the date on which any Option may be exercised or, subject to applicable regulatory provisions, extend the term of any Option, in the manner to be set forth in such resolution, provided that the term of such Option shall not be extended so that the effective term of such Option exceeds 10 years in total and that such Option was outstanding for at least one year before the extension of its term. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which any Option may be exercised by any other Optionee; and
2. the Board may, by resolution, but subject to applicable regulatory provisions, decide that any of the provisions hereof concerning the effect of termination of an Optionee's employment or cessation of an Optionee's office shall not apply for any reason acceptable to the Board.

## **9. TAKE-OVER BIDS**

(a) If a *bona fide* offer (an "Offer") for Shares is made to an Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be conditionally exercised, subject to the Shares acquired by the Optionee upon such conditional exercise being taken up under the Offer, in whole or in part by each Optionee so as to permit each Optionee to tender the Shares conditionally received upon such conditional exercise of his Options, pursuant to the Offer. However, if:

1. the Offer is not completed within the time specified therein; or
2. all of the Shares conditionally acquired by the Optionee on the conditional exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares conditionally received upon such conditional exercise of Options, or in the case of clause 2 above, the Shares that are conditionally issued and are not taken up and paid for, shall, for all purposes, be deemed to have not been issued, and the Options with respect to such Shares shall, for all purposes, be deemed to have not been exercised, and the terms upon which such Options with respect to such Shares were to become vested pursuant to Section 4(a) continue to apply. In the case of clause 1 above, the Company shall, as soon as reasonably possible after the expiry of the time specified in the Offer of when it should have been completed, refund the exercise price to the Optionee with respect to the conditional exercise of such Options, and in the case of clause 2 above, the Company shall, as soon as reasonably possible, refund the exercise price to the Optionee with respect to the Shares that are

conditionally issued and are not taken up and paid for by the offeror.

**10. SHAREHOLDER APPROVAL**

(a) This Plan, if the Shares are listed on the Exchange, is subject to approval by the Company's shareholders on a yearly basis at the Company's annual general meeting.

**11. NO VIOLATION OF SECURITIES LAWS**

(a) No Option shall be granted to any Optionee unless the Board has determined that the grant of such Option and the exercise thereof by the Optionee will not violate the securities law of the jurisdiction in which the Optionee resides.

**12. EFFECTIVE DATE OF PLAN**

(a) This Plan was adopted by the Board effective on December 1, 2014. Should changes be required in this Plan by the Exchange or any securities commission or other governmental body of any province of Canada to which this Plan has been submitted, such changes shall be made in this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, shall remain in full force and effect in its amended form as of and from December 1, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS  
ALTITUDE RESOURCES INC.**

Per: *"Doug Porter"* \_\_\_\_\_  
Authorized Signatory



**SCHEDULE "A"**

**ALTITUDE RESOURCES INC.  
STOCK OPTION PLAN  
OPTION AGREEMENT**

This Option Agreement is entered into between Altitude Resources Inc. (the "**Company**") and \_\_\_\_\_ (the "**Optionee**") pursuant to the Company's Stock Option Plan dated \_\_\_\_\_, 20\_\_\_\_ (the "**Plan**"), and confirms the agreement of the parties hereto as to the following:

1. The Optionee hereby represents and warrants to the Company that he/she/it is an Eligible Person pursuant to the Plan.
2. The Company hereby grants the Optionee options (the "**Options**") to purchase \_\_\_\_\_ common shares (the "**Option Shares**") of the Company at the price (the "**Exercise Price**") of \$\_\_\_\_\_ per Option Share.
3. The Options are exercisable up to, but not after \_\_\_\_\_, \_\_\_\_\_ (the "**Expiry Date**"), and vest [indicate (i) or (ii)]:
  - I.  immediately; or
  - II.  in accordance with the Vesting Schedule attached hereto as Appendix 1;
4. The issuance of the Options hereunder is pursuant to the terms of and subject to the conditions set out in the Plan and the policies of the TSX Venture Exchange.
5. By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan, agrees to the terms and conditions of the Plan and this Option Agreement, and has received good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**ALTITUDE RESOURCES INC.**

\_\_\_\_\_  
Optionee

By: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signatory

**APPENDIX I TO SCHEDULE "A"**

**VESTING SCHEDULE**

The Options set forth in the Stock Option Plan Option Agreement to which this Appendix I is attached shall vest in accordance with the following schedule:

No. of Options	Vesting Date

**SCHEDULE "B"**  
**EXERCISE NOTICE**

To: Altitude Resources Inc.

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Terms which are not otherwise defined herein shall have the meaning ascribed to such terms in the Stock Option Agreement between the undersigned and Altitude Resources Inc. (the "**Company**").

The undersigned hereby exercises the right to acquire \_\_\_\_\_ Common Shares of the Company in accordance with and subject to the provisions of such Stock Option Agreement and herewith makes payment of the purchase price in full for the said number of Common Shares.

Dated the \_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
(Name of Optionee – Please Print Full Name)

By:

\_\_\_\_\_  
(Signature of Optionee)

\_\_\_\_\_  
(Print Full Address, including Postal Code)

\_\_\_\_\_  
(Telephone Number)

The Common Shares are to be issued as follows:

Registration Instructions: Register the Common Shares as set forth below:

Delivery Instructions: Deliver the Common Shares as set forth below:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address, including Postal Code)

\_\_\_\_\_  
(Address, including Postal Code)

\_\_\_\_\_  
(Account Reference and Contact Name if Applicable)

\_\_\_\_\_  
(Account Reference and Contact Name if Applicable)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Telephone Number)

