

**MORGAN RESOURCES CORP.**

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

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting (the “**Meeting**”) of Shareholders of Morgan Resources Corp. (the “**Corporation**”) will be held at Suite 704, 55 University Ave., Toronto, Ontario, M5J 2H7 on Thursday, the 22<sup>nd</sup> day of June, 2016, at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the financial statements of the Corporation for the financial years ended August 31, 2015 and 2014, together with the report of the auditors thereon;
2. to elect three (3) directors for the ensuing year;
3. to appoint auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration;
4. to consider and, if thought fit, to pass a special resolution authorizing the consolidation of the Corporation’s outstanding common shares, as more particularly described in the accompanying Circular
5. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution approving the 2013 Option Plan (as such term is defined in the Circular) as the stock option plan of the Corporation, as more particularly described in the Circular; and
6. to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

A copy of the Circular, a form of proxy, and a return envelope accompany this Notice of Meeting. A copy of the audited financial statements of the Corporation for the financial year ended August 31, 2015, together with the report of the auditors thereon, and accompanying management discussion and analysis, will be available for review at the Meeting and are available to the public on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is May 18, 2016 (the “**Record Date**”). Shareholders of the Corporation whose names have been entered on the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, or if by facsimile at (416) 361-0470, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

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

The individuals named in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder has the right to appoint a proxyholder other than such individuals, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder’s appointee should be legibly printed in the blank space provided.

**DATED** this 18<sup>th</sup> May, 2016.

**BY ORDER OF THE BOARD**

*(signed) “Raniero Corsini”*  
Chief Executive Officer

**INFORMATION CIRCULAR**  
**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF**  
**MORGAN RESOURCES CORP.**

(this information is given as of May 18, 2016)

**1. SOLICITATION OF PROXIES**

This Information Circular is provided in connection with the solicitation of proxies by the management of Morgan Resources Corp. (the "Corporation") for use at the Annual and Special Meeting of the Shareholders of the Corporation (the "Meeting"), to be held on June 22, 2016, at the place and time and for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the "Notice of Meeting") and at any adjournment thereof. This solicitation is being made primarily by mail, but proxies may also be solicited by directors, officers or employees of the Corporation. The cost of the solicitation of proxies will be borne by the Corporation.

**2. APPOINTMENT OF PROXYHOLDERS**

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint a person other than the persons named in the enclosed forms of proxy to attend and vote for him or her at the Meeting.** In order to do so, the shareholder may cross out the names printed in these forms of proxy and insert such person's name in the blank space provided thereon or complete another form of proxy. In either case, the duly completed forms of proxy must be delivered to the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof or the Secretary of the Meeting, on the day of the Meeting or any adjournment thereof. It is not necessary to be a shareholder in order to act as a proxy.

**3. REVOCATION OF PROXIES**

A shareholder may revoke his proxy at any time, relating to any question for which the voting right granted by the proxy has not yet been exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such revocation must be deposited with the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, at any time up to an including the day preceding the day of the Meeting, or with the Chairman or Secretary of the Meeting on the day of the Meeting, or in any other manner permitted by law.

**4. EXERCISE OF PROXY**

The voting rights attached to the common shares in the capital of the Corporation (the "Common Shares") represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

**5. NON-REGISTERED HOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Shares in their own name (the "Beneficial Shareholders") are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.** Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The instrument of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder's name on the record of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of

such Common Shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, brokers and other intermediaries are required to request voting instructions from Beneficial Shareholders prior to shareholder meetings. Brokers and other intermediaries have their own procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. In Canada, most brokers now delegate the responsibility of obtaining their clients’ instructions to Broadridge Investor Communications Inc. (“**BIC**”). Beneficial Shareholders who receive a voting instruction form from BIC may not use the said form to vote directly at the Meeting. If you have questions on how to exercise voting rights attached to shares held through a broker or other intermediary, please contact the broker or intermediary directly.

Although a Beneficial Shareholder will not be recognized at the Meeting for the purposes of directly exercising voting rights attached to shares registered in the name of his broker (or a representative thereof), he may attend the Meeting as proxy of the registered shareholder and, as such, exercise the voting rights attached to such shares.

**Unless otherwise indicated in this Information Circular and in the form of proxy and Notice of Meeting attached hereto, shareholders shall mean registered shareholders.**

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

Except as described elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

**7. VOTING SECURITIES AND PRINCIPAL HOLDERS**

As at the date hereof, the Corporation had 37,426,936 Common Shares outstanding, representing the Corporation’s only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholders representing two shareholders, or one shareholder and a proxyholder representing another shareholder, holding or representing not less than five percent (5%) of the issued and outstanding Common Shares enjoying voting rights at the Meeting.

The record date to determine the shareholders’ eligibility to receive the Notice of Meeting and vote at the Meeting was fixed at May 18, 2016 (the “**Record Date**”).

To the knowledge of the directors and senior officers of the Corporation as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, other than the following:

Name	Number of Common Shares	Percentage of Common Shares
Giuseppe Morra	8,000,000	21.4%

**8. BUSINESS OF THE MEETING**

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

**(i) Financial Statements**

Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”), the directors of the Corporation will place before the shareholders at the Meeting the financial statements of the Corporation for the financial periods ended August 31, 2015, together with the report of the auditors thereon. Shareholder approval is not required in respect of the financial statements.

**(ii) Election of Directors**

The board of directors of the Corporation presently consists of three (3) directors. All of the current directors have been directors since the dates indicated below and all will be standing for re-election. The Corporation is required to have a minimum of one and a maximum of ten directors. The board of directors recommends that shareholders vote **FOR** the election of the three (3) nominees of management listed in the following table.

Each director will hold office until his re-election or replacement at the next annual meeting of the shareholders unless he resigns his duties or his office becomes vacant following his, dismissal or any other cause prior to such meeting.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

*Nominees to the Board of Directors*

<b>Name, Residence and Position with Corporation</b>	<b>Principal Occupation for the Past Five Years <sup>(1)</sup></b>	<b>Served as Director Since</b>	<b>Number of Common Shares over which Control or Direction is Exercised <sup>(1)</sup></b>
Raniero Corsini <sup>(2)</sup> Toronto, Ontario Director	CEO of Morgan Resources Corp. since December 2013.  President of Carlisle Bancorp since 2012.  President of Monarch Wealth from 2009 to December 2011.  Senior Vice President of Sentry Select Capital and President of Sentry Select Capital's United Kingdom Operations from 2007 to 2009.	December 31, 2013	2,583,333
Philip Kelly <sup>(2)</sup> Hamilton, Ontario Director	Executive Vice President of Triple M Metal LP since 2008.	December 31, 2013	Nil
Rick Rogers <sup>(2)</sup> Huntsville, Ontario Director	President of a private consulting firm operating as SR Consulting a division of Epic Asset Management Ltd.	December 31, 2013	1,500,000

**Notes:**

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.

*Corporate Cease Trade Orders or Bankruptcies*

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) 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.

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including the Corporation) 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.

*Penalties or Sanctions*

None of the proposed directors of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### *Personal Bankruptcies*

None of the proposed directors of the Corporation has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **(iii) Appointment of Auditor**

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the re-appointment of MNP LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the appointment of MNP LLP, and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

### **(iv) Share Consolidation**

#### Background

Effective May 18, 2016, the Board of Directors approved an option for the Corporation to complete up to a 10 to 1 share consolidation or such other such other ratio that the Board may deem adequate (the "Consolidation").

#### Purpose of the Share Consolidation

The Board believes that such Share Consolidation, if implemented, will reduce the outstanding share amount to a level more in keeping with the Corporation's industry peers, enhance the marketability of the Corporation's common shares as an investment and facilitate additional financings, if necessary, to fund operations in the future.

#### Ratification & Approval of the Share Consolidation

If the Share Consolidation is ratified and approved by the shareholders at the Meeting, it will be subject to final approval by the Board of Directors as otherwise determined by the Board of Directors to be in the best interests of the Corporation and its shareholders.

#### Risks Associated with the Consolidation

There can be no assurance that any increase in the market price per Common Share resulting from the Consolidation will be sustainable or that it will equal or exceed the direct arithmetical result of the Consolidation since there are numerous factors and contingencies which could affect such price, including the status of the market for the Common Shares at the time, the Corporation's reported results or operation in future periods and general economic, geopolitical, stock market and industry conditions.

Accordingly, the total market capitalization of the Common Shares after the Consolidation may be lower than the total market capitalization before the Consolidation and, in the future, the market price of the Shares may not exceed or remain higher than the market price prior to the Consolidation.

#### Share Consolidation Resolution

At the Meeting, the shareholders will be asked to approve the following special resolution in the following form:

#### **"BE IT RESOLVED THAT:**

- (1) subject to the Corporation receiving all regulatory and TSX Venture Exchange approvals, the amendment of the articles of the Corporation to consolidate each of the issued and outstanding common shares without par value of the Corporation by exchanging every ten old common shares of the Corporation into one new common share, or such other ratio that the Board may deem adequate (the "Consolidation"), subject to downward adjustment in the event the Consolidation would otherwise result in a shareholder of the Corporation holding a fraction of a common share, be and the same is hereby approved;

- (2) the Board is hereby authorized, at any time prior to the effective time of the Consolidation, to elect not to proceed with the Consolidation, notwithstanding that the Consolidation is approved by the shareholders of the Corporation; and
- (3) any one director or officer of the Corporation be, and is hereby, authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing."

The Board recommends that Shareholders vote for the adoption of the resolution. In order to be effective, the resolution must be approved by two-thirds of the votes cast at the Meeting in respect of such resolution. Proxies received in favour of Management will be voted for the approval of the Special Resolution approving the Consolidation, unless the shareholder has specified in the proxy that his or her common shares are to be voted against such resolution.

In the event that the Corporation proceeds with the Consolidation, it will send letters of transmittal to holders of Common Shares for use in transmitting their share certificates to Computershare in exchange for new certificates of the Corporation.

#### **(v) Stock Option Plan**

Under section 3.9(b) of Policy 4.4 – *Incentive Stock Options* ("Policy 4.4") of the TSX Venture Exchange (the "Exchange") all rolling stock option plans, such as the Corporation's stock option plan, originally approved by the shareholders of the Corporation on October 3, 2013 (the "2013 Option Plan"), must receive shareholder approval yearly, at the Corporation's annual shareholders meeting.

At the Meeting, shareholders will be asked to pass a resolution approving the 2013 Option Plan. Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

#### **"BE IT RESOLVED THAT:**

- (1) the 2013 Option Plan be and the same is hereby ratified, confirmed and approved;
- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2013 Option Plan. The directors of the Corporation recommend that shareholders vote in favour of the approval of the 2013 Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

## **9. CORPORATE GOVERNANCE DISCLOSURE**

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"):

### **Board of Directors**

The directors have determined that Richard Rogers and Phil Kelly, current members of the board of directors of the Corporation, are independent as such term is defined in NI 58-101, and that Raniero Corsini (CEO of the Corporation) is not independent as such term is defined in NI 58-101.

### **Directorships**

None of the directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent).

### **Orientation and Continuing Education**

While the Corporation does not currently have a formal orientation and education program for new members of the board of directors, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

### **Ethical Business Conduct**

The directors' maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the OBCA.

### **Nomination of Directors**

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

### **Compensation**

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Corporation in their capacity as directors. The Compensation Committee consists of Rick Rogers, Phil Kelly and Raniero Corsini.

### **Assessments**

The directors' believe that nomination to the Corporation's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

## 10. AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### Audit Committee Charter

The Corporation's Audit Committee is governed by an audit committee charter that was established by the directors of the Corporation on October 25, 2011, a copy of which is attached hereto as Schedule “A”.

### Composition of Audit Committee

The Corporation’s Audit Committee is currently comprised of the three (3) directors of the Corporation, Richard Rogers, Phil Kelly and Raniero Corsini. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110, and two of the members, Richard Rogers and Phil Kelly, are independent, as such term is defined in NI 52-110 and in the OBCA.

### External Auditor Matters

Since the commencement of the Corporation’s most recently completed financial year, the Corporation’s directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

In the following table, “Audit fees” are fees billed by the Corporation’s external auditor for services provided in auditing the Corporation’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor in its only financial year-end, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
August 31, 2015	18,295	-	1,483	2,260
August 31, 2014	19,346	-	1,483	-
August 31, 2013	17,798	5,339	-	-

### Exemptions:

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.



## 11. EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The following table sets forth information concerning the total compensation paid to the only executive officer of the Corporation (the “Named Executive Officer”) during the financial years ended August 31, 2015 and August 31, 2014:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Raniero Corsini CEO <sup>(1)</sup>	2015	134,725	N/A	20,836	Nil	Nil	N/A	Nil	155,561
	2014	75,000	N/A	30,652	Nil	Nil	N/A	67,200	172,852
Carl DiPlacido CEO <sup>(1)</sup>	2013	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
Chris Carmichael CFO	2015	30,003	Nil	12,502	Nil	Nil	N/A	Nil	42,505
	2014	33,333	Nil	18,391	Nil	Nil	N/A	Nil	51,724
	2013	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil

#### Notes:

- (1) Carl DiPlacido resigned as Chief Executive Officer on December 31, 2013 and Raniero Corsini was appointed to fill said position.
- (2) Calculated at the date of the grant using the Black-Scholes options pricing model with the following assumptions: Risk free interest rate of 1.52%; Dividend yield of NIL; Expected stock price volatility of 100%; Option life of 5 years. The amount is the same as that calculated in accordance with Section 3870 of the Handbook.

### Incentive Plan Awards

#### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for the Named Executive Officer as of August 31, 2015:

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Raniero Corsini	750,000	\$0.15	August 1, 2019	\$nil	N/A	N/A
Chris Carmichael	450,000	\$0.15	August 1, 2019	\$nil	N/A	N/A

#### Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards vested or were earned by the Named Executive Officer during the year ended August 31, 2015.

### Pension Plan Benefits

The Corporation has not implemented a pension plan.

### Termination and Change of Control Benefits

The Corporation has a services contract with CRIS Inc. at a rate of \$30,000 per year. CRIS Inc. is owned by the Corporation’s CFO, Chris Carmichael.

### Director Compensation

No cash compensation was paid to the directors of the Corporation in their capacity as directors during the financial year ended August 31, 2015. The directors of the Corporation are eligible to receive options to purchase Common Shares pursuant to the terms of the 2013 Option Plan.

*Director Compensation Table (for Directors other than the Named Executive Officer)*

The following table sets forth all compensation provided to each of the directors of the Corporation (other than the Named Executive Officer, whose disclosure with respect to compensation is set out above) during the year ended August 31, 2015:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Carl DiPlacido <sup>(2)</sup>	Nil	N/A	21,531	N/A	N/A	Nil	21,531
Raymond Mongeau <sup>(2)</sup>	Nil	N/A	21,531	N/A	N/A	Nil	21,531
Phil Kelly	Nil	N/A	5,556	N/A	N/A	Nil	5,556
Rick Rogers	Nil	N/A	5,556	N/A	N/A	Nil	5,556

**Notes:**

- (1) Calculated at the date of the grant using the Black-Scholes options pricing model with the following assumptions: Risk free interest rate of 1.52%; Dividend yield of NIL; Expected stock price volatility of 100%; Option life of 5 years. The amount is the same as that calculated in accordance with Section 3870 of the Handbook.
- (2) Carl DiPlacido and Raymond Mongeau resigned from the Board of Directors on April 24, 2015.

*Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than the Named Executive Officer, whose disclosure with respect to incentive plan awards is set out above) as of August 31, 2015:

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Carl DiPlacido <sup>(1)</sup>	775,000	\$0.15	August 1, 2019	Nil	-	N/A
Raymond Mongeau <sup>(1)</sup>	775,000	\$0.15	August 1, 2019	Nil	-	N/A
Phil Kelly	200,000	\$0.15	August 1, 2019	Nil	-	N/A
Rick Rogers	200,000	\$0.15	August 1, 2019	Nil	-	N/A

- (1) Carl DiPlacido and Raymond Mongeau resigned from the Board of Directors on April 24, 2015. The options expired on April 24, 2016.

*Incentive Plan Awards – Value Vested or Earned During the Year*

No incentive plan awards vested or were earned by the directors of the Corporation (other than the Named Executive Officer, whose disclosure with respect to incentive plan awards is set out above) during the year ended August 31, 2015.

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

The following table provides information as of August 31, 2015 regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the 2013 Option Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,500,000	\$0.145	242,693
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	<b>3,500,000</b>	<b>\$0.145</b>	<b>242,693</b>

The securities referred to in the table above were granted under the 2013 Option Plan or its predecessors plans.

**13. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors, the proposed nominees for election as director, the executive officers of the Corporation, or any of their respective associates or affiliates is or has been indebted to the Corporation or any of its subsidiaries in respect of loans, advances or guarantees of indebtedness.

**14. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the informed persons (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

**15. MANAGEMENT CONTRACTS**

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

**16. PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

**17. ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com) is provided in the Filing Statement, and the Corporation's financial statements and Management's Discussion and Analysis all as filed on SEDAR ([www.sedar.com](http://www.sedar.com)), copies of which may be obtained from the Corporation upon request. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

**DATED** this 18<sup>th</sup> day of May, 2016.

**BY ORDER OF THE BOARD**

*(signed) "Raniero Corsini"*  
Chief Executive Officer

**SCHEDULE "A"**  
**AUDIT COMMITTEE CHARTER**

**MORGAN RESOURCES CORP.**  
(the "Company")  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**I. PURPOSE**

The Audit Committee is a committee of the board of directors (the "Board") of the Company. The function of the Audit Committee is to assist the Board in fulfilling its responsibilities to the shareholders of the Company, the securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing the annual and interim (quarterly) financial statements, related management discussion and analysis ("MD&A") and, where applicable, other financial information disclosed by the Company to any governmental body or the public, prior to its approval by the Board;
- (b) overseeing the review of interim (quarterly) financial statements and/or MD&A by the Company's external auditor;
- (c) recommending the appointment and compensation of the Company's external auditor, overseeing the external auditor's qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (d) directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) monitoring the Company's financial reporting process and internal controls and compliance with legal and regulatory requirements related thereto.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP"), to conduct investigations, or to assure compliance with laws and regulations or the Company's internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

**II. COMPOSITION**

1. The Audit Committee shall have a minimum of three members.
2. Every Audit Committee member must be a director of the Company. The Audit Committee shall be comprised of such directors as are determined by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 – Audit Committees ("NI 52-110") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. Pursuant to the Business Corporations Act (Ontario) (the "OBCA") the majority of the Audit Committee members must not be officers, nor employees of the Company or any of its affiliates.
3. All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.
4. The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Audit Committee members shall hold office until the next annual meeting of shareholders subsequent to their appointment.
5. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.
6. The Secretary of the Audit Committee will be appointed by the Chair.
7. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the directors on the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

**III. DUTIES AND RESPONSIBILITIES**

1. The Audit Committee shall review and recommend to the Board for approval:

- (a) the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A;
  - (b) press releases of the Company that contain financial information;
  - (c) other financial information provided to any governmental body, stock exchange or the public as they see fit
  - (d) documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form – when applicable) prior to their release; and
  - (e) any other matter not mentioned herein but otherwise required pursuant to applicable laws, including, without limitation, NI 52-110 and the OBCA.
2. The Audit Committee, in fulfilling its mandate, will:
- (a) satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
  - (b) review with management relationships with regulators, and the accuracy and timeliness of filing with regulatory authorities (when and if applicable);
  - (c) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
  - (d) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
  - (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant;
  - (f) review the annual audit plans of the internal and external auditors of the Company;
  - (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
  - (h) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor;
  - (i) periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
  - (j) arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors communicate directly with the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
  - (k) ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation;
  - (l) review with management and the external auditor the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
  - (m) review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements;
  - (n) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
  - (o) review the expenses of the Chairman and President of the Company annually;
  - (p) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters; and
  - (q) perform such other duties as required by the Company's incorporating statute and applicable securities legislation and policies, including, without limitation, NI 52-110 and the OBCA.
3. The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, and may set and pay the compensation of such counsel and advisors. The Audit Committee may communicate directly with the Company's internal and external counsel and advisors.

#### IV. MEETING PROCEDURES

1. The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four times per year. The Audit Committee should meet within forty-five (45) days (sixty (60) days in the event the Company

is a “venture issuer” (as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations)) following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and shall meet within ninety (90) days (one hundred and twenty (120) days in the event the Company is a “venture issuer”) following the end of the financial year end to review and discuss the audited financial results for the preceding year and the related MD&A as well as any accompanying press release, or in both cases, by such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

2. Members of the Audit Committee shall be provided with reasonable notice of the time and place of meetings, which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.
3. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate. The external auditor may, at its option, attend meetings of the Audit Committee.
4. In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.
5. Meetings of the Audit Committee may be conducted with members in attendance in person, by telephone or by video conference facilities.
6. Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
7. A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
8. The Audit Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Company.