

## **GEONOVUS MINERALS CORP.**

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### **INFORMATION CIRCULAR**

#### **SOLICITATION OF PROXIES**

This information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of GeoNovus Minerals Corp. (the "**Company**") for use at the annual general meeting of the shareholders (the "**Shareholders**") of the Company (the "**Meeting**") to be held at Suite 700 - 401 West Georgia Street, Vancouver, British Columbia, on April 9, 2014 at 10:00 a.m. (Vancouver time) and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to the "**Company**", "**we**" and "**our**" refer to GeoNovus Minerals Corp.; "**Common Shares**" means common shares in the authorized share structure of the Company; "**Beneficial Shareholders**" means Shareholders who do not hold Common Shares in their own name and "**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of the Beneficial Shareholders.

#### **Date of Information Circular**

Information contained in this Information Circular is given as at February 28, 2014, unless otherwise indicated.

### **GENERAL PROXY INFORMATION**

#### **Revocability of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by either:

- (a) executing a proxy bearing a later date; or
- (b) executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the shareholder's authorized attorney in writing, or, if the shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the Proxy bearing a later date with Computershare Investor Services Inc., or at the address of the registered office of the Company at Suite 700 - 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

- (c) by the registered shareholder personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

### **Appointment of Proxyholders**

A shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be Shareholders, to attend and act at the Meeting for the shareholder on the shareholder's behalf.

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Company (the "**Management Designees**"). **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of **Computershare Investor Services Inc., at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524, or by telephone to 1-866-732-VOTE (8683) or internet at [www.investorvote.com](http://www.investorvote.com)** not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

### **Exercise of Discretion**

The Management Designees named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. The Proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.**

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

### **Proxy Voting Options**

If you are a registered Shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc., at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax within North America to 1-866-249-7775 and outside North America to (416) 263-9524, or by telephone to 1-866-732-VOTE (8683) or internet at [www.investorvote.com](http://www.investorvote.com) at any time up to and including 10:00 a.m. (Vancouver time) on April 7, 2014.

### **Advice to Beneficial Holders of Common Shares**

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Beneficial Shareholders should note that only Proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

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 the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary 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 Common Shares are voted at the Meeting.

If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the form of Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter our own name, or the name of the person you wish to designate, in the blank space on the voting instrument form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal Proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your Common Shares.

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

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any

material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than as disclosed herein.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the “**Board**”) of the Company has fixed February 28, 2014, as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value of the Company. As of the Record Date, the Company had outstanding 38,014,902 fully paid and non-assessable Common Shares without par value, each carrying the right to one vote. The Company has no other classes of voting securities.

To the knowledge of the directors and executive officers of the Company, no one beneficial owner owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the outstanding voting rights of the Company.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

### **Recommendation of the Board**

The Board unanimously recommends that Shareholders vote in favour of all resolutions.

### **ELECTION OF DIRECTORS**

The Board currently consists of four directors. Management proposes to fix the number of directors of the Company at four (4) and to nominate the persons listed below for election as directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the British Columbia *Business Corporations Act* or the Articles of the Company, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each beneficially owns or over which control or direction is exercised:

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Director of the Company Since	Committee Membership	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised <sup>(2)</sup>
R. Bruce Duncan Director Ontario, Canada	President of West Oak Capital Partners Inc.; CEO of Evolving Gold Corporation since February 2012; CEO of Canada Carbon Inc. since December 2004; Executive Chairman of Canada Coal Inc. from February 2012; former CEO of Canada Coal Inc. from August 2010 to February 2012; former CEO of Prosperity Goldfield Corp. from September 2010 to April 2012.	October 5, 2012	N/A	264,500
Michael B. England President, CEO and Director British Columbia, Canada	Self-employed investor relations consultant since January 1995; President, England Communications Ltd. since February 2009; Officer of Brigadier Gold Limited (August 2001 to September 2004); Director of United Bolero Resources Corp. (October 2002 to March 2006); Director of First Star Resources Inc. from April 2004 to January 2007; President, CEO and Director of Geo Minerals Ltd. from September 2005 to December 2011; Director of Andover Ventures Inc. from February 2006 to December 2007; President and CEO of Andover Ventures Inc. from August 2006 to December 2007; Ashburton Ventures Inc. (director since January 2007, CEO since December 2008, President since September 2009); President, CEO and Director of Alix Resources Corp. since June 2007; President, CEO and Director of GeoNovus Minerals Corp. since December 2011; Director of Kent Exploration Inc. from October 2007 to March 2012; Director of Caribou Copper Resources Ltd. since Sept. 2009 and CEO since February 2011; Director of Zone Resources Inc. from May 2008 to April 2011; Director of Abbastar Resources Corp. from April 2009 to April 2010; Director of BTU Capital Corp. since April 2009; Director of Aintree Resources Corp. since October 2009; Director of Archean Star Resources Inc. from January 2011 to March 2012; President of Discovery Ventures Inc. from November 2011 to June 2012; Director of Alston Ventures Inc. from November 2007 to November 2010; Director of Bonaparte Resources Inc. since June 2012.	October 11, 2011	Audit Committee	1,321,820

Nominee Position with the Company and Province/State and Country of Residence	Occupation, Business or Employment <sup>(1)</sup>	Director of the Company Since	Committee Membership	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control of Direction is Exercised <sup>(2)</sup>
Paul D. Gray Director British Columbia, Canada	Professional geoscientist since August 2005 to present; principal of Paul D. Gray Geological Consultants from August 2007 to present; director and CEO of Dawson Gold Corp. since June 2010; president, director of Argus Metals Corp. from September 2005 to present; director of Tajiri Resources Corp. since October, 2011; COO and director of Doublestar Resources Ltd. from 1998 to July 2007; director of Alston Ventures Inc. from July 2009 to July 2012; director of Geo Minerals Ltd. from May 2008 to December 2011; Dawson Gold Corp. from June 2010 to present; director of Cloudbreak Resources Ltd. from March 2009 to July 2010.; director of Blue River Resources Ltd. from August 2009 to Present. President Zadar Ventures Ltd. June 2013 to Present.	October 27, 2011	Audit Committee	33,333
Marvin A. Mitchell Director British Columbia, Canada	Professional engineer since 1972; principal, Mitchell Geological Services Inc. since 1985; director of Ashburton Ventures Inc. since November 2008; director of Geo Minerals Ltd. from September 2005 to December 2011; director of Snowfield Development Corp. since January 1995; director of Petro One Energy Corp. from November 2006 to February 2011; director of Tasca Resources Ltd. (formerly "Ecomax Energy Services Ltd.") since June 2011; director of Touchdown Resources Inc. since October 2009; director of Kent Exploration Inc. July 2006 to June 2011, director of Solace Resources Corporation from January 1998 to January 2011; director of Olympic Resources Ltd. since October 2010 to November 2011, director Archean Star Resources January 2011 to June 2011; Director of GeoNovus Minerals Corp. since October, 2011.	October 27, 2011	Audit Committee	83,333

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.
- (2) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by Computershare Investor Services Inc., the registrar and transfer agent of the Company, insider reports filed on SEDI and by the nominees themselves.

Other than as set out below, to the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company that,

- (a) 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
- (b) 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.

Zone Resources Inc., a company of which Michael B. England became a director in May of 2008, was issued a cease trade order dated May 7, 2008, by the Alberta Securities Commission and a cease trade order dated May 14, 2008, by the British Columbia Securities Commission ("**BCSC**") for failing to file annual audited financial statements for the period ending Dec. 31, 2007, within the required time period. Zone Resources Inc. received a Revocation Order from the Alberta Securities Commission on September 9, 2008 and from the BCSC on September 9, 2008.

To the knowledge of the Company, no proposed director of the Company was, 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 GeoNovus Minerals Corp.) 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 proposed director of the Company 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.

No proposed director of the Company has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any 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 that proposed director.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### **Compensation Discussion and Analysis**

#### **Compensation**

The Board as a whole has the responsibility of determining the compensation for the Chief Executive Officer (the "**CEO**") and the Chief Financial Officer (the "**CFO**") and of determining compensation for directors and senior management.

The Company's compensation objectives include the following:

- to assist the Company in attracting and retaining highly-qualified individuals;
- to create among directors, officers, consultants and employees a sense of ownership in the Company and to align their interests with those of the shareholders; and
- to ensure competitive compensation that is also financially affordable for the Company.

The compensation program is designed to provide competitive levels of compensation. The Company recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, the Company's NEOs (defined below) may receive compensation that is comprised of three components:

- Salary, wages or contractor payments;
- Stock option grants; and/or
- Bonuses.

The objective and reason for this system of compensation is to allow the Company to remain competitive compared to its peers in attracting experienced personnel. The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base salary is not evaluated against a formal “peer group”. The Compensation Committee relies on the general experience of its members in setting base salary amounts.

Stock option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, although the level of reward provided by a particular stock option grant is dependent upon the volatile stock market.

Any bonuses paid to the NEOs are allocated on an individual basis related to the review by the Board of the work planned during the year and the work achieved during the year, including work related to mineral exploration, administration, financing, shareholder relations and overall performance. The bonuses are paid to reward work done above the base level of expectations set by the base salary, wages or contractor payments.

### Executive Compensation

In this section “**Named Executive Officer**” or “**NEO**” means the CEO, the CFO and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total compensation exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Michael B. England, the Company's President and CEO and Olga Nikitovic, the Company's CFO were the “**Named Executive Officers**” of the Company for the purposes of the following disclosure. There are no other executive officers of the Company whose total compensation exceeded \$150,000 during the financial year ended August 31, 2013. The compensation paid to the Named Executive Officers for the three most recently completed financial years of the Company is as set out below:

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Michael B. England <sup>(2)</sup> President and CEO	2013	65,400	N/A	Nil	Nil	Nil	N/A	Nil	65,400
	2012	68,750	N/A	33,326	Nil	Nil	N/A	Nil	102,076
Olga Nikitovic CFO	2013	60,000	N/A	Nil	Nil	Nil	N/A	Nil	60,000
	2012	40,000	N/A	11,007	Nil	Nil	N/A	Nil	51,007

(1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.



- (2) Michael B. England also serves or served as a director of the Company and receives compensation for services as a director, and that compensation has been included in the figures provided in this Summary Compensation Table. Amounts, if any, which relates to the director role are disclosed in subsequent footnotes hereunder.

### **Outstanding Share-Based Awards And Option-Based Awards**

The following tables provide information regarding all share-based and option-based awards outstanding as at August 31, 2013.

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Michael B. England President and CEO	200,000 150,000	\$0.10 \$0.10	June 19, 2017 January 10, 2017	Nil Nil	N/A	N/A
Olga Nikitovic CFO	100,000	\$0.10	January 10, 2017	Nil	N/A	N/A

- (1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.04 and the exercise or base price of the option.

### **Incentive Plan Awards - value vested or earned during the year**

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

Name (a)	Option-based awards – Value vested during the year <sup>(1)</sup> (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Michael B. England President and CEO	Nil	N/A	N/A
Olga Nikitovic CFO	Nil	N/A	N/A

- (1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

### **Termination of Employment, Change in Responsibilities and Employment Contracts**

There are no employment contracts between the Company and the Named Executive Officers except as described under the heading "Management Contracts".

There are no compensatory plans, contracts or arrangements between the Company and any Named Executive Officer, where the Named Executive Officer is entitled to receive more than \$50,000 from the Company, including periodic payments or installments, in the event of:

- (a) the resignation, retirement or any other termination of employment of the Named Executive Officer's employment with the Company;
- (b) a change of control of the Company; or
- (c) a change of the Named Executive Officer's responsibilities following a change in control.

### Pension Arrangements

The Company does not have any pension arrangements in place for the Named Executive Officers.

### COMPENSATION OF DIRECTORS

For a description of the compensation paid to the Company's Named Executive Officer(s) who also act as directors, see "Summary Compensation Table".

Other than as disclosed elsewhere in this Information Circular, no director of the Company who is not a Named Executive Officer has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors except for the granting of stock options; or
- (c) any arrangement for the compensation of directors for services as consultants or experts.

The Company may grant incentive stock options to directors of the Company from time to time pursuant to the stock option plan of the Company and in accordance with the policies of the TSX Venture Exchange (the "TSXV").

The compensation paid to the directors, other than the Named Executive Officers, during the Company's most recently completed financial year is as set out below:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards <sup>(1)</sup> (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Paul D. Gray	Nil	N/A	3,293	Nil	N/A	Nil	3,293
Marvin A. Mitchell	Nil	N/A	1,647	Nil	N/A	Nil	1,647
R. Bruce Duncan	Nil	N/A	14,988	Nil	N/A	Nil	14,988

(1) The fair value of the option-based awards was determined on the grant date using the Black-Scholes option pricing model. The Company uses the Black-Scholes option pricing model because it is a widely used and generally accepted method of estimating the fair value of stock options for accounting purposes.

### Narrative Discussion

Other than amounts already included in the above table, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments

or for services as consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options to the Company's directors is to assist the Company in compensating, attracting, retaining and motivating the directors and to closely align the personal interests of the directors to that of the Company's shareholders.

### **Outstanding Share-Based Awards And Option-Based Awards**

The following table sets forth information concerning all awards outstanding under incentive plans of the Company pursuant to which compensation that depends on achieving certain performance goals or similar conditions within a specified period, at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not a Named Executive Officers:

Director Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options <sup>(1)</sup> (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
Paul D. Gray	50,000 100,000	\$0.10 \$0.10	January 31, 2018 January 10, 2017	Nil	N/A	N/A
Marvin A. Mitchell	25,000 100,000	\$0.10 \$0.10	January 31, 2018 January 10, 2017	Nil	N/A	N/A
R. Bruce Duncan	200,000	\$0.10	October 5, 2017	Nil	N/A	N/A

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which was \$0.04 and the exercise or base price of the option.

### **Incentive Plan Awards - value vested or earned during the year**

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

Name (a)	Option-based awards – Value vested during the year <sup>(1)</sup> (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Paul D. Gray	Nil	N/A	N/A
Marvin A. Mitchell	Nil	N/A	N/A
R. Bruce Duncan	Nil	N/A	N/A

(1) This amount is the dollar value that would have been realized computed by obtaining the difference between the market price of the underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan that the Company has in place is a stock option plan (the “Plan”). The Plan was established to provide an incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements with directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company’s other previously established or proposed share compensation agreements, may not exceed 10% of the total number of issued and outstanding Common Shares at the date of grant. All options expire on a date not later than five years after the issuance of such option.

The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company’s most recently completed fiscal year:

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	2,300,000	0.10	186,490
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>2,300,000</b>	<b>0.10</b>	<b>186,490</b>

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company’s directors, executive officers, proposed nominees for election as a director, or associates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An “informed person” means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares.

Since the commencement of the Company’s most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had

any material interest, direct or indirect, in any transaction, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

### APPOINTMENT OF AUDITOR

Management recommends that Shareholders vote to appoint McGovern, Hurley, Cunningham, LLP, Chartered Accountants, with offices at Suite 300, 2005 Sheppard Avenue East, Toronto, Ontario M2J 5B4, as auditors for the Company and to authorize the directors to fix their remuneration. See "External Auditor Service Fees" under "Audit Committee And Relationship With Auditor" below.

### MANAGEMENT CONTRACTS

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

### CORPORATE GOVERNANCE

#### General

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 *Corporate Governance Guidelines* ("NP 58-201").

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the "CSA") have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

#### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The independent members of the Board of Directors of the Company are R. Bruce Duncan, Paul D. Gray and Marvin A. Mitchell. The non-independent director is Michael B. England, the President and CEO of the Company.

The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any the non-independent directors being present. Further supervision is performed through the Audit Committee who may meet with the Company's auditors without management being in attendance.

#### Directorships

The participation of the directors in other reporting issuers is described in the following table:

Name of Director	Names of Other Reporting Issuers of which the Director is a Director
R. Bruce Duncan	Evolving Gold Corporation, Canada Carbon Inc., and Canada Coal Inc.
Michael B. England	Aintree Resources Corp., Alix Resources Corp., Ashburton Ventures Inc., Bonaparte Resources Inc., BTU Capital Corp. and Caribou King Resources Ltd.
Paul D. Gray	Argus Metals Corp., Blue River Resources Ltd., Dawson Gold Corp. and Tajiri Resources Corp.

Name of Director	Names of Other Reporting Issuers of which the Director is a Director
Marvin A. Mitchell	Snowfield Development Corp., Petro One Development Corp., Tasca Resources Ltd. and Touchdown Resources Ltd.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties and on director responsibilities.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available to discussions with all Board members.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Other Board Committees**

The Board has no committees other than the Audit Committee.

The Audit Committee provides an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- (b) the Company's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company's independent auditors.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter, the Company's Articles and governing laws as the Audit Committee or Board deems necessary or appropriate. See "*Audit Committee and Relationship with Auditor*".

### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management, and the strategic direction and processes of the Board and the Audit Committee.

## **Compensation**

The Board is not compensated for acting as directors, except for being granted incentive stock options pursuant to the policies of the TSXV and the Company's stock option plan. The Board acts as a whole to determine and approve the final stock grants and compensation amounts.

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

National Instrument 52-110 *Audit Committees* of the CSA ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (the "**Audit Committee**") and its relationship with its independent auditors, as set forth in the following.

### **Audit Committee Charter**

The Company has adopted a charter (the "**Charter**") of the Audit Committee of the Board, which is attached as Schedule "A" to this Information Circular.

### **Composition of the Audit Committee**

The current members of the Audit Committee are Marvin Mitchell, Paul D. Gray and Michael B. England. Messrs. Mitchell and Gray are independent members of the Audit Committee and Mr. England is not independent. All of the members of the Audit Committee are considered to be financially literate.

### **Relevant Education and Experience**

#### ***Mr. Marvin Mitchell***

Mr. Mitchell is currently a director of five reporting companies, all of whom are listed on the TSXV. Mr. Mitchell has been a director of numerous junior exploration companies similar to the Company since 1975 and serves as a member of the audit committee on many of these companies. Mr. Mitchell is a graduate of Montana Tech. A division of the University of Montana and has been a Professional Engineer since 1975. He is the principal of Mitchell Geological Services Inc. since 1985. As a result of these years of experience, Mr. Mitchell is very familiar with the breadth and complexity of issues that face the Company, and in particular, the accounting issues that may be raised by the financial statements of the Company.

#### ***Mr. Paul D. Gray***

Mr. Gray is currently a director of five reporting companies, and the Chief Executive Officer of two companies, all of whom are listed on the TSXV. Mr. Gray has been a director and executive officer of numerous junior mining companies similar to the Company since 2001, and serves as a member of the audit committee on many of these companies. Mr. Gray is also the principal of PDG Geological Consultants, a private company which offers contract geological services to several reporting companies involved in mining exploration. As a result of these years of experience, Mr. Gray is very familiar with the breadth and complexity of issues that face the Company, and in particular, the accounting issues that may be raised by the financial statements of the Company.

#### ***Michael B. England***

Mr. England is currently a director and the Chief Executive Officer of three reporting companies, and a director of three other reporting issuers, all of whom are listed on the TSXV. Mr. England has been a director and executive officer of numerous junior mining companies similar to the Company since 2001, and serves as a member of the audit committee on many of these companies. Mr. England is also the director and President of England Communications Ltd., a private company which offers management services to several reporting companies involved in mining exploration. As a result of these years of experience, Mr. England is very familiar with the breadth and complexity of issues that face the Company, and in particular, the accounting issues that may be raised by the financial statements of the Company.

### Audit Committee Oversight

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

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter.

### Reliance on Certain Exemptions

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

### External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by McGovern, Hurley, Cunningham, LLP, Chartered Accountants, to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended August 31, 2013	Fees Paid to Auditor in Year Ended August 31, 2012
Audit Fees <sup>(1)</sup>	\$13,974	\$3,774
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$13,974</b>	<b>\$3,774</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

## PARTICULARS OF MATTERS TO BE ACTED UPON

### Approval of Stock Option Plan

The Company received shareholder approval on February 12, 2013 regarding the Plan. The TSXV requires listed companies that have "rolling" stock option plans in place receive shareholder approval of



such plans on a yearly basis at the Company's Annual General Meeting. Accordingly, Shareholders will be asked at the Meeting to ratify and approve the Plan.

The purpose of the Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in the value of the Company's Common Shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the Shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The Plan provides for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the policies of the TSXV. As at February 28, 2014, this represents 3,801,490 Common Shares available under the Plan, of which 2,750,000 are issued and 1,051,490 are reserved and available for issuance under the Plan.

Under the Plan, the option price must not be less than the exercise price permitted by the TSXV. The current policies of the TSXV state that the option price must not be less than the closing prices of the Common Shares listed on the TSXV on the day immediately preceding the date of grant, less the applicable discount permitted by the policies of the TSXV. An option must be exercised within a period of five years from the date of granting. Within this five year period, the Board may determine the limitation period during which an option may be exercised. Any amendment to the Plan requires the approval of the TSXV and may require shareholder approval.

The material terms of the Plan are as follows:

1. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
2. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, and shall not be less than the closing market price of the Company's Common Shares the day on which the directors grant such options, less any discount as permitted by the TSXV.
3. No vesting requirements will apply to options granted under the Plan other than as required by TSXV policies; however, a four-month hold period will apply to all shares if options are granted at an exercise price which is less than the closing market price, each option is subject to a four-month hold period, commencing from the date of grant.
4. All options will be non-assignable and non-transferable.
5. No more than (i) 5% of the issued Common Shares may be granted to any one individual in any 12-month period, unless disinterested shareholder approval is obtained; and (ii) 2% of the issued Common Shares may be granted to any one consultant, or an employee conducting investor relation activities, in any 12-month period.
6. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12-month period, exceeding 10% of the Company's issued Common Shares; and (iii) any grant of options to any one individual, within a 12-month period, exceeding 5% of the Company's issued Common Shares.
7. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The Plan is subject to annual shareholder approval and TSXV acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, approve an ordinary resolution ratifying and approving the Plan.

The full text of the Plan will be made available at the registered and records offices of the Company, Suite 700 – 401 West Georgia Street, Vancouver, British Columbia, V6B 5A1, until 4 p.m. on the business day immediately preceding the date of the Meeting.

#### *Shareholder Approval*

Shareholders will be asked at the Meeting to approve with or without variation the following resolution:

“BE IT RESOLVED THAT the Company’s Stock Option Plan be and is hereby ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding common shares at the time of each grant be approved for granting as options and that the board of directors be and are hereby authorized, without further shareholder approval, to make such changes to the Stock Option Plan as may be required or approved by regulatory authorities.”

#### **Other Matters**

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

#### **Additional Information**

Additional information relating to the Company is available through the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information on the Company is provided in the Company’s comparative financial statements and management discussion and analysis of the most recently completed financial year ended August 31, 2013. Copies of the Company’s financial statements and management discussion and analysis may be obtained upon request from the Company to the attention of: John Masters at Suite 1220 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2, Tel: 604-683-3995.

#### **APPROVAL AND CERTIFICATION**

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

Where information contained in this Information Circular, rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

The foregoing contains no untrue statement of material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 28<sup>th</sup> day of February, 2014.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*“Michael B. England”*

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Michael B. England  
Director, President and Chief Executive Officer

## Schedule "A"

### GEONOVUS MINERALS CORP. AUDIT COMMITTEE CHARTER

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#### I. PURPOSE

The primary function of the Audit Committee, a committee of the board of directors (the "**Board of Directors**") of GeoNovus Minerals Corp., (the "**Company**") is to assist the Board of Directors in fulfilling its oversight responsibilities relating to the financial accounting and reporting process and internal controls for the Company by:

- (a) reviewing the financial reports and other financial information before such reports and other financial information is provided to any governmental body or to the public;
- (b) recommending the appointment and reviewing and appraising the audit efforts of the Company's external auditors and providing an open avenue of communication among the external auditors, financial and senior management and the Board of Directors;
- (c) serving as an independent and objective party to monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- (d) encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Part III of this Charter. The Audit Committee's primary function is to assist the Board of Directors in fulfilling its responsibilities. It is, however, the Company's management which is responsible for preparing the Company's financial statements and it is the Company's external auditors which are responsible for auditing those financial statements.

#### II. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is to be comprised of such number of directors as determined by the Board of Directors, each of whom must be "independent" and "financially literate", as such terms are defined in National Instrument 52-110 *Audit Committees* ("NI 52-110") where NI 52-110 requires such independence.

The members of the Audit Committee shall be appointed by the Board of Directors and serve until the next annual meeting of shareholders of the Company or until their successors are duly appointed. Unless a Chairman is appointed by the full Board of Directors, the members of the Audit Committee may designate a Chairman by majority vote of the full Audit Committee membership.

As part of its role in fostering open communication, the Audit Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the Audit Committee are to be provided with full access to all corporate information and are to be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and external auditors of the Company.

A quorum for the transaction of business at any meeting of the Audit Committee is the presence in person or by telephone or other communication equipment of a majority of the members of the Audit Committee or such greater number as the Audit Committee may by resolution determine.

Should a vacancy arise among the members of the Audit Committee, the remaining members of the Audit Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings of the Audit Committee are to be held from time to time, but not less than four times annually, at such place as the Audit Committee or the Chairman of the Audit Committee may determine upon at least two days' prior notice to each of the members. The notice period may be waived by a quorum of the Audit Committee.

The Chairman of the Audit Committee, any member of the Audit Committee, the Chairman of the Board of Directors, the Company's external auditors, or the Chief Executive Officer, Chief Financial Officer or Secretary of the Company is entitled to request that the Chairman of the Audit Committee call a meeting. A notice of the Audit Committee may be given verbally, in writing or by telephone, fax or other means of communication, and need not specify the purpose of the meeting.

### **III. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties, the Audit Committee shall:

- (a) communicate directly with the external auditors;
- (b) meet with the external auditors, with and without management present, to discuss the results of their examinations ;
- (c) annually review and recommend to the Board of Directors the selection of the independent auditors, subject to shareholders' approval, and approve the annual fee for the external audit services;
- (d) establish a procedure which enables employees to report any concerns regarding accounting or auditing matters;
- (e) review with management and with the independent auditors, the financial statements and management discussion and analysis before referring these documents to the Board of Directors;
- (f) ensure the Company's compliance with legal and regulatory requirements relating to financial disclosure;
- (g) review any new appointments to senior positions with financial reporting responsibilities;
- (h) review all financial press releases.

The Committee shall perform any other matters delegated to it by the Board of Directors.

#### **Financial Reporting Processes**

- (a) In consultation with the external auditors, review the integrity of the Company's financial reporting processes, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices.
- (c) Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the

external auditors and ensure that management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

### **Process Improvement**

- (a) Establish regular and separate systems of reporting to the Audit Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
- (b) Review the scope and plans of the external auditors' audit and reviews prior to the audit and reviews being conducted. The Audit Committee may authorize the external auditors to perform supplemental reviews or audits as the Audit Committee may deem desirable.
- (c) Following completion of the annual audit and quarterly reviews, review separately with management and the external auditors any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditors received during the course of the audit and reviews.
- (d) Review and resolve any significant disagreements between management and the external auditors in connection with the preparation of the financial statements.
- (e) Where there are significant unsettled issues, the Audit Committee is to assist in arriving at an agreed course of action for the resolution of such matters.
- (f) Review with the external auditors and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.

### **Ethical and Legal Compliance**

- (a) 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 employees of concerns regarding questionable accounting or auditing matters.
- (b) Review management's monitoring of the Company's systems in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
- (c) Review, with the Company's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the Company's financial statements.

### **Risk Management**

Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Company and how effectively such risks are being managed or controlled.